CITY OF NEWARK
CALIFORNIA

HOUSING ELEMENT OF THE GENERAL PLAN

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Newark City Council
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5.1 INTRODUCTION

The California Legislature has declared early attainment of a decent home and a satisfactory living environment for all Californians a high priority (Health and Safety Code, Section 5002). To help attain this goal, all local governments are required by the legislature to adopt and periodically update a housing element as part of their general plans. This is an update of Newark's housing element for the seven-year period from 1999 to 2006.

Public Participation

In accord with state law, the City of Newark provided opportunities for all residents, property owners and advocates for the homeless and those in need of affordable housing to participate in the process of preparing this housing element. A draft of the housing element has been available at city hall and the library. A draft of the housing element was also sent to organizations with a known interest in affordable housing in the East Bay. Recipients included: Second Chance, Satellite Senior Homes, Tri-City Homeless Coalition, Echo Housing Assistance Center, California Housing Law Project, Non-Profit Housing Association of Northern California, Bridge Housing Corporation, and the Home Builders Association of Northern California.

These organizations were also invited by letter to attend a public meeting to consider the draft housing element on March 29, 2001 at 7:30 p.m. at the Newark Community Center. Sixteen people attended including residents, a representative from the Chamber of Commerce, advocates for the homeless, and owners and tenants of the site between Cedar and 880 (Site #55) designated in the element as a site for possible reuse for housing.

The homeless advocates, principally the pastor and a member of the Presbyterian Church speaking as volunteers for the Tri-City Homeless Coalition, were particularly concerned that the element fails to clearly articulate the need for additional shelter space in the city and the dire situation of the homeless. In follow up to the meeting, the city talked again with the directors at both Second Chance and the Tri-City Homeless Coalition. The director of Second Chance, the shelter in Newark, is clear that the current shelter has enough beds to meet the need for Newark residents since Newark residents now occupy only about 25 percent of the beds. The question is how much additional space is needed for some share of regional needs. The section on homelessness was revised to better explain the data and current situation.

Site #55 owners expressed concern about the possible change in use. The dialog was productive and the owners seemed to leave with some sense that the city would act fairly and that the change proposed by the city could be an opportunity for them. To address the concerns expressed, the proposal was described in more detail in a new program—Program 8. Reuse of Site #55.

Consistency with the General Plan

The housing element contains goals, policies, programs and quantified objectives that are generally consistent with other elements of the general plan. Where minor inconsistencies occur as the result of new housing initiatives, they will be resolved by amending the other elements of the general plan.

5.2 BACKGROUND

The following sections describe the population, employment and housing characteristics of Newark using the best available information. The 1990 Census is the primary source of data. These data have been updated, as possible, using data available from the 2000 Census, projections by the Association of Bay Area Governments (ABAG), estimates of the Demographic Research Unit of the California Department of Finance, city records, city staff, local organizations and local newspapers.

POPULATION TRENDS

Table 5-1 shows the population of Newark every ten years from 1960 to 2000 and projected population for 2010 and 2020. The percent increase in population from each decade to the next is also shown.

TABLE 5-1 POPULATION, CITY OF NEWARK, 1960-2020

Year	Population	% Increase
1960	9,911	
1970	27,157	174.0
1980	32,126	18.3
1990	37,861	17.9
2000	42,471	12.2
2010	48,200	13.5
2020	49,800	3.3

Sources: US Census for 1960-2000; ABAG, *Projections 2000* for 2010 and 2020

Table 5-1 indicates that Newark went from a small town to a city during the 1960s and then continued to grow through the '70s, '80s and '90s at slightly declining rates. During the '80s the city added population at the rate of about 736 people per year. In the '90s, the city gained an average of 460 people per year. ABAG projects a significant population gain from 2000 to 2010 and a small gain from 2010 to 2020 as sites for new development in the city are exhausted.

Age of Population

Table 5-2 shows the distribution of population by age in 1990 and 2000 in Newark and in 2000 in Alameda County. During the 1990s, Newark added about 5,800 people between the ages of 18 and 64 and 1,300 people 65 years old or older. During the same time, the city lost 2,400 children under 18. The percentage of children decreased and the percentage of people 65 years old and over increased.

TABLE 5-2 POPULATION BY AGE, NEWARK AND ALAMEDA COUNTY

	Newark 1990		Newark 2000		Alameda County 2000	
Age	Number	Percent	Number	Percent	Number	Percent
0-17	10,672	28.2	8,251	19.4	206,981	14.3
18-64	25,175	66.5	30,896	72.7	1,089,169	75.4
65+	2,014	5.3	3,324	7.8	147,591	10.2
Totals	37,861	100.0	42,471	99.9	1,443,741	99.9

Sources: 1990 and 2000 U.S. Census

However, in 1990 Newark had a smaller percentage of older people and a higher percentage of children than Alameda County. The 18 to 64 age group was nearly the same percentage of total population in both the city and county.

Racial and Ethnic Composition

Table 5-3 shows Newark's 1990 and 2000 population divided according to race and ethnic group. In the U.S. census, "persons of Spanish origin" are counted as members of a racial group (white, African American, Asian, etc.) and also counted separately as an ethnic group. In this table, Hispanics have been subtracted from the racial categories and listed as a separate category. In the 2000 Census, people could identify themselves as belonging to more than one race. This becomes a new category in 2000 data. Table 5-3 shows that the percentage of non-Hispanic white people and African Americans dropped during the 1990s while the percentage of Hispanics and Asians and increased. Compared to the Alameda County, Newark had a higher percentage of Hispanics and Asians and a lower percentage of African Americans.

TABLE 5-3 RACIAL AND ETHNIC DISTRIBUTION, NEWARK AND ALAMEDA COUNTY

	Newark 1990		Newark 2000		Alameda Co. 2000
	Number	Percent	Number	Percent	Percent
White	21,736	57.4	17,103	40.3	40.9
Hispanic	8,672	22.9	12,145	28.6	19.0
Asian/Pacific Islander	5,672	15.0	9,329	22.0	20.9
African American	1,550	4.1	1,639	3.8	14.6
Amer. Indian, Aleut, etc.	162	0.4	148	0.3	0.4
Other Races	69	0.2	128	0.3	0.3
Two or More Races	-	-	1,979	4.7	3.9
Totals	37,861	100.0	42,471	100.0	100.0

Sources: 1990 and 2000 U.S. Census

HOUSEHOLDS

In 2000, 42,382 Newark residents lived in households and 89 lived in group quarters. As shown in Table 5-4, Newark in 2000 was still a city of traditional families with almost 80 percent of the households falling into this category compared with about 65 percent for the county. The decade saw a small increase in the percentage of families headed by females and some decrease in the percentage of married couple families, but the structure of households in Newark stayed basically the same from 1990 to 2000.

TABLE 5-4 HOUSEHOLD COMPOSITION, NEWARK AND ALAMEDA COUNTY

Type of Household	Percent of All Households		
	Newark 1990	Newark 2000	Alameda County 2000
Total Family	80.0	79.6	64.8
(married couple)	(65.0)	(62.2)	(47.0)
(female head, no husband)	(10.4)	(11.6)	(13.0)
Total Non-family	20.0	20.4	35.2
(1 person living alone)	(13.8)	(14.1)	(26.0)
Total Households	100.0	100.0	100.0

Sources: 1990 and 2000 U.S. Census.

HOUSEHOLD INCOME

Table 5-5 lists household income in Newark and Alameda County in 1989 as reported in the 1990 Census. In 1989, over 60 percent of Newark's households had incomes ranging from $25,000 to $75,000. About 20 percent had incomes of $75,000 or more and 16.5 percent had incomes lower than $25,000. Compared with Alameda County, Newark had a lower percentage of households with incomes under $25,000 and a higher percentage of households earning between $50,000 and $74,999. The median household income in Newark was $50,471 in 1989, almost double the 1979 median income of $26,368. Newark's 1989 median income was also significantly higher than the Alameda County median income of $37,544.

TABLE 5-5 HOUSEHOLD INCOME IN NEWARK AND ALAMEDA COUNTY, 1989

	Newark		Alameda County
Income Category	Households	Percent	Percent
Under $25,000	1,981	16.5	34.1
$25,000-$49,999	3,904	32.5	34.1
$50,000-$74,999	3,692	30.8	15.4
$75,000-$99,999	1,694	14.1	9.3
$100,000 and over	733	6.1	7.1
Totals	12,004	100.0	100.0

Source: 1990 U.S. Census

Table 5-6 lists ABAG projections of mean household income from the 1990 census figure for each decade up to 2020. Remember that "mean" is an average and "median" is the midpoint in a distribution. Mean household income is usually higher than median household income because it is more affected by a few very high incomes.

TABLE 5-6 MEAN HOUSEHOLD INCOME IN NEWARK PROJECTED TO 2020

Year	Mean HH Income	Percent Increase
1990	$65,400	-
2000	72,900	11.5
2010	82,400	13.0
2020	87,600	6.3

Source: ABAG, *Projections 2000*. Household income in constant 1995 dollars

According to Table 5-6, ABAG projects mean household income in Newark to grow at a slightly faster rate from 2000 to 2010 than from 1990 to 2000. Then, between 2010 and 2020 the rate of growth will drop to 6.3 percent—less than half that of the prior decade.

Poverty

In 1989, 1,893 Newark residents had incomes below the poverty line as defined by the federal government to determine eligibility for federal assistance programs. The numbers are adjusted annually and relate income to size of household and the presence of children in the household. As shown in Table 5-7, Newark residents living in poverty included 1,140 persons 18 years and over; 99 of which were over 65, and 753 children under 18 of which 244 were under 5 years old. Over 15 percent of children under 18 years old were living in poverty compared with 5.3 percent of the total population.

TABLE 5-7 PERSONS IN POVERTY BY AGE, 1989

Age Group	Total Population*	# in Poverty	% of Total Population
Under 5	3,057	244	8.0
5-17	6,745	509	7.5
18-64	25,051	1,041	4.2
65 or more	1,921	99	5.2
Totals	35,744	1,893	5.3

*Includes the total population for which poverty status was determined.
Source: 1990 U.S. Census

EMPLOYMENT TRENDS

In California, there is increasing awareness of the need for communities to balance growth in employment with growth in housing. Such balance makes it at least possible for more people to live and work in the same community, reducing the numbers who must commute long distances on increasingly congested highways. Newark originally grew as a railroad and manufacturing center with a balance in jobs and housing. The balance shifted in the 1960s when Newark experienced a boom in housing construction. Population increased 174percent during the decade, turning Newark into a "bedroom" community for people who commuted to jobs outside Newark. Housing construction remained strong during the 1970s and 1980s, but Newark began an effort to attract industry and business to the city. By 1990, housing and jobs in Newark were reasonably well balanced. ABAG projections indicate that, with no intervention in the market, Newark will be providing about one job per employed resident by 2020.

Employed Residents

In 1990, over 80 percent of Newark's men and 65 percent of women over 15 years old were employed (see Table 5-8). A majority of households have more than one person working. According to ABAG projections, the ratio of employees to households will increase from 1.7 in 1990 to 1.9 in 2020 (see Table 5-9). This high rate of participation in the work force can be explained by the facts that most of Newark's population is of working age, household size is quite large with relatively few single person households, and the Silicon Valley economy has been booming.

TABLE 5-8 PERSONS 16 YEARS OLD AND OVER IN THE LABOR FORCE, 1990

	Men		Women		Total Persons	
	Number	Percent	Number	Percent	Number	Percent
Employed*	11,442	80.9	9,150	65.3	20,592	73.1
Unemployed	679	4.8	474	3.4	1,153	4.1
Not in Labor Force	2,031	14.3	4,386	31.3	6,417	22.8
Total Person 16+	14,152	100.0	14,010	100.0	28,162	100.0

*Includes 50 men in the Armed Forces. Source: 1990 U.S. Census

TABLE 5-9 HOUSEHOLDS AND EMPLOYED RESIDENTS, 1990-2020

Date	Households	Employed Residents	Ratio of Employees to Households
1990	12,015	20,592	1.7
2000	12,950	22,100	1.7
2010	13,890	25,100	1.8
2020	14,400	27,500	1.9

Sources: 1990 U.S. Census and ABAG, *Projections 2000*

Jobs

Table 5-10 shows the increase in jobs in Newark from 1990 to 2020 projected by ABAG. During this time, ABAG projects that jobs will increase by 11,660 or 78.3 percent. From 2000 to 2020 Newark could add 7,620 jobs, for a 40 percent increase. Projections done for the Newark impact fee study show a similar pattern (Economic & Planning Systems, Inc., August 2000). The study estimates 2000 employment at 17,840 (slightly lower than the ABAG number) and projects 2020 employment at 27,110 (slightly higher than the ABAG number)—an increase of 9,270 jobs or 52 percent over the two decades.

The types of jobs available will change. Most of the new jobs will be in the service and manufacturing/wholesale sectors. Agriculture and mining jobs will disappear and the number of retail jobs will grow slightly.

TABLE 5-10 JOBS IN NEWARK BY TYPE, 1990-2020

Type of Job	1990	2000	2010	2020
Agriculture and Mining	10	10	0	0
Manufacturing and Wholesale	3,840	5,180	6,470	6,610
Retail	5,960	6,710	6,950	7,150
Service	2,480	4,180	5,860	8,990
Other	2,610	2,860	3,240	3,810
Totals	14,900	18,940	22,520	26,560

Source: ABAG, *Projections 2000*

As shown in Table 5-11, ABAG projects that the number of employed residents will increase from 1990 to 2020 by 6,908 people or 33.5 percent. The result of the very strong job growth and modest growth in the number of employed residents will be a ratio of jobs to employed residents by 2020 very close to 1. Newark will no longer be a bedroom community. The city's challenge is to maintain its excellent jobs/housing balance in the future.

TABLE 5-11 RATIO OF JOBS TO EMPLOYED RESIDENTS, 1990-2020

	Jobs in Newark	Employed Residents	Ratio of Jobs to Employed Residents
1990	14,900	20,592	.72
2000	18,940	22,100	.86
2010	22,520	25,100	.90
2020	26,560	27,500	.97

Source: ABAG, *Projections 2000*

In 1990, the types of jobs available corresponded well with the types of work done by employed residents. As shown in Table 5-12, the manufacturing and services sectors have a higher percentage of employed residents than jobs available. These are precisely the sectors that ABAG projects will have the most job growth between 1990 and 2020.

TABLE 5-12 JOBS IN NEWARK AND EMPLOYED RESIDENTS BY INDUSTRY, 1990

Industry	Jobs in Newark		Jobs of Newark Residents	
	Number	Percent	Number	Percent
Mining and Agriculture	10	0.1	168	0.8
Manufacturing and Wholesale	3,840	25.8	6,922	33.7
Retail	5,960	40.0	3,576	17.4
Service	2,480	16.6	7,001	34.1
Other	2,610	17.5	2,875	14.0
Total	14,900	100.0	20,542	100.0

Sources: ABAG, *Projections 2000* and 1990 U.S. Census

HOUSING CHARACTERISTICS

In 1990, Newark had 12,284 housing units of which 9,867 or 80 percent were single-family attached and detached houses. The rest were 2,412 multifamily units and 15 mobile homes. As shown in Table 5-13, since April 1990, Newark has added 821 housing units, averaging about 91 units per year. In the 1980s, Newark added 2,882 housing units for an average of 288 per year. In other terms, Newark's housing supply increased by 32 percent in the '80s, but only 6.7 percent in the '90s. A sharp mid-decade recession probably accounts for some of the drop in housing production, but the most important factor is that Newark is close to build out and since 1990 has had very little land available for new housing.

TABLE 5-13 ANNUAL INCREASE IN HOUSING, 1990-1999

	Total Units	Added Units	Single Family Dtch'd	Single Family Attch'd	Multifamily 2-4	Multifamily 5+	Mobile Homes
Total 1990	12,294		8,489	1,378	624	1,788	15
1991	12,356	62	56	0	11	-5	0
1992	12,403	47	39	0	3	5	0
1993	12,466	63	57	0	6	0	0
1994	12,536	70	63	0	2	5	0
1995	12,649	113	113	0	0	0	0
1996	12,718	69	69	0	0	0	0
1997	12,724	6	6	0	0	0	0
1998	12,725	1	1	0	0	0	0
1999	13,115	390	72	0	7	311	0
Total Added		*821*	*476*	*0*	*29*	*316*	*0*
Total 1999	13,115		8,965	1,378	653	2,104	15

Source: California Department of Finance, Demographic Resource Unit, Report E-5

Table 5-14 compares the types of housing produced during the 1980s and 1990s. A major difference between the two decades is that most housing units added in the 1980s were "attached" single-family houses (townhouses with common walls that serve as property lines) and in the 1990s, most were detached single family houses. This has resulted in fewer units than could have been developed if densities had been higher. However, many of the new detached single-family houses were on small lots with densities that were comparable to the townhouse developments of the 1980s.

TABLE 5-14 COMPARISON OF HOUSING ADDITIONS 1980s AND 1990s

	1980s		1990s	
	Number	Percent	Number	Percent
Single-Family Detached	436	15.1	476	58.0
Single-Family Attached	1,666	57.8	0	0.0
2-4 Units	59	2.0	29	3.5
5+ Units	723	25.1	316	38.5
Mobile Homes	-2	0.0	0	0.0
Total Units Added	2,882	100.0	821	100.0

Source: California Department of Finance, Demographic Research Unit, Report E-5

The number of multifamily units constructed during the 1990s was less than half the number constructed during the 1980s. However, because the total production in the 1990s was so much less than in the 1980s, the percentage of multifamily units constructed in the 90s (42 %) was higher than in the 80s (27 %).

Housing Occupancy

As shown in Table 5-15, 12,992 housing units were occupied at the time of the 2000 Census. Of the 12,992 occupied housing units, owners occupied 9,175 (70.6 %) and renters occupied 3,817 (29.4%). Comparing these data to 1990 data shows a slight increase in the percentage of renters and a decrease in the vacancy rate from 2.2 percent to 1.2 percent.

TABLE 5-15 HOUSING OCCUPANCY IN NEWARK, 1990 AND 2000

	1990		2000	
	Number	Percent	Number	Percent
Total Housing Units	12,284		13,150	
Vacant	269	2.2	158	1.2
Total Occupied Housing Units	12,015	100.0	12,992	100.0
Owner-occupied	8,672	72.2	9,175	70.6
Renter Occupied	3,343	27.8	3,817	29.4

Sources: 1990 and 2000 U.S. Census

The number of persons per household increased in Newark from 3.15 persons per household in 1990 to 3.26 persons per household in 2000. The increase reflects the large number of single family houses constructed during the '90s. After 2000, ABAG projects that the number of persons per household in Newark will continue to increase to 3.48 in 2005 and then decrease again to 3.34 in 2020. Union City was the only city in Alameda County with a higher occupancy rate in 1990 and ABAG projects that will continue to be the case.

Overcrowded Housing

In 1990, 1,156 housing units in Newark were occupied by more than 1 person per room. These were split almost evenly between rental (564) and owner-occupied units (592). However, because there are more owner-occupied units than rental units in Newark, the percent of rental units occupied by more than 1 person per room (16.9%) is higher than the percent of owner-occupied units (6.8%). This reflects the relatively large average household size in Newark. In general, housing units in Newark were quite large with over 90 percent having 2 or more bedrooms and almost 70 percent having 3 or more bedrooms. Some households are overcrowded because they are occupied by more than one family or numbers of unrelated people. In these cases, the primary need is not larger units, but more affordable units so that people do not need to double up.

Substandard Housing

Newark's housing stock is beginning to show its age. As shown in Table 5-16, the largest number of Newark's housing units (4,236) were built 30 to 40 years ago in the 1960s. Most of these are single-family homes and a significant number are in need minor or major rehabilitation. During the 1970s and 1980s, almost 6,000 units were added, including most of the multifamily and attached single-family houses. Many of these units are now showing signs of disrepair. In 1990, the U.S. Census reported 54 housing units in Newark lacked plumbing, 61 lacked complete kitchen facilities and 100 lacked a telephone.

TABLE 5-16 AGE OF HOUSING STOCK

Year Built	# of Units	% of Units
Before 1940	195	1.5
1940-1949	319	2.4
1950-1959	1,592	12.1
1960-1969	4,236	32.3
1970-1979	2,875	21.9
1980-1989	3,067	23.4
1990-1999	821	6.3
Totals	13,115	99.9

Source: 1990 U.S. Census, except for the 1990-1999 number which is an estimate from the California Department of Finance, Demographic Research Unit, Report E-5

Newark community preservation officers estimate that over half of the multifamily rental units and almost a quarter of the single-family houses in the city do not comply with either the housing code or building code. Table 5-17 summarizes housing condition in Newark as estimated by the 4 officers within the Police Department assigned to enforce the housing and building codes.

TABLE 5-17 HOUSING CONDITION IN NEWARK, 2000

	Single Family		Multifamily		Totals	
	Units	Percent	Units	Percent	Units	Percent
Need Minor Rehab*	2,076	(20.0%)	1,240	(45.0%)	3,316	(25.2%)
Need Major Rehab**	259	(02.5%)	414	(15.0%)	673	(5.1%)
In Good Condition	8,045	(77.5%)	1,103	(40.0%)	9,148	(69.6%)
Total Units	10,380	(100.0%)	2,757	(100.0%)	13,137	(99.9%)

* Minor Rehab means clean up, maintenance, and minor repairs needed to prevent deterioration.
**Major Rehab means major repairs to address deterioration including structural damage.
Source: Community Preservation Officers, City of Newark, September 2000.

According to the officers, the most prevalent problems result from deferred maintenance. They include conditions such as: dry rot, holes in stucco or plaster, leaking roofs, electrical switches or receptacles that don't work, leaking faucets and drain pipes, cracked window panes, missing window screens, ripped carpeting, broken kitchen or bathroom cabinets, parts missing from toilets, chipped sink and tub surfaces, broken appliances (stove elements or space heaters), missing refrigerator/freezer door seals, household garbage stored or scattered on or around a property, and inoperative vehicles.

Many of these problems are minor and can be corrected with little effort or cost, but in combination they can spell major deterioration. About 5 of the housing units may be in such poor condition that

demolition is a possibility. The preservation officers currently refer homeowners to the Alameda County Housing Rehabilitation Program for funding to rehabilitate their homes, but no comparable program exists to help rehabilitate multifamily units.

Housing Costs

Table 5-18 shows the distribution of the value of owner-occupied housing units in Newark in 1990. Over 86 percent the owner-occupied houses were valued between $100,000 and $300,000. Fewer than 2 percent were valued below $100,000 and about 12 percent were valued above $300,000. In contrast, although Alameda County had essentially the same median house value ($225,300) as Newark ($225,500), the county had significantly higher percentages of homes valued both under $100,000 and over $300,000. As in 1980, Newark provided owner housing primarily for middle income households.

TABLE 5-18 VALUE OF OWNER-OCCUPIED HOUSING UNITS IN NEWARK AND ALAMEDA COUNTY, 1990

	Newark		Alameda County
House Value	Owner-Occupied Units	Percent	Percent
Less than $100,000	144	1.9	8.1
$100,000-$199,999	2,321	30.3	31.5
$200,000-$299,999	4,285	55.9	35.9
$300,000 or more	910	11.9	24.4
Totals	7,660	100.0	99.9

Source: 1990 U.S. Census. Data are for units for which value was reported.

Table 5-19 shows the distribution of monthly housing costs for homeowners in 1990. Over 45 percent paid less than $1,000 for housing and about 30 percent paid between $1,000 and $1,500. The rest (about 25 percent) paid $1,500 or more. Of the 7,881 owner-occupied units in Newark, 811, or about 10 percent, were not mortgaged. Owners of these units had monthly costs rarely exceeding $400. Also, those who had owned their houses for a long time had lower mortgage payments than new owners. The median cost for those paying mortgages was $1,169.

TABLE 5-19 MONTHLY COSTS OF OWNER-OCCUPIED UNITS IN NEWARK, 1990

	# of Units	% of Units
Less than $500	1941	24.6
$500-$999	1651	21.0
$1,000-$1,499	2,312	29.3
$1,500-$1,999	1,379	17.5
$2,000 or more	598	7.6
Total	7,881	100.0

Source: 1990 U.S. Census

Table 5-20 shows the distribution of monthly rental costs in Newark in 1990. Ninety percent of the renters were paying less than $1,000 a month for housing and 76 percent were paying between $500 and $1,000. Generally, monthly housing costs were higher for homeowners than renters, particularly for the homeowners carrying a mortgage.

TABLE 5-20 CONTRACT RENT IN NEWARK, 1990

	# of Rental Units	% of Rental Units
No Cash Rent	36	1.1
Less than $500	418	12.7
$500-$749	1,317	40.0
$750-$999	1,194	36.2
$1,000 or more	328	10.0
Totals	3,293	100.0

Source: 1990 U.S. Census

Through the mid-1990s, housing costs were affected by two regional trends. First, a prolonged recession in the mid-1990s brought actual decreases in housing prices throughout the Bay Area. And, second, mortgage interest rates fell to record lows and remained much lower than during the 1980s. The result was a significant increase in the percentage of households that could afford to buy a house in the Bay Area.

The favorable circumstances did not last long. The last half of the 1990s saw huge increases in the price of housing. Newark, within easy commuting distance to the heart of Silicon Valley, shared in the increases. Recent housing costs in Newark were estimated by reviewing classified ads in the *Argus* from March 28 through April 11, 2000. The ads reveal that 20 houses, including single-family homes, condos and townhouses were offered for sale at a median price of about $330,000. Most were three or four bedroom homes with a range in price from $214,900 for a two-bedroom townhouse to $399,999 for an old Victorian on a large lot that could be split. The asking price is usually higher than the sale price. On April 2, 2000, the newspaper listed 9 sales of homes for a median sales price of $318,000. The monthly mortgage cost for a house selling for $320,00 with 20 percent down at 8 percent interest would be about $2,560. This is more than 100 percent higher than the 1990 median costs of $1,169.

Almost all the rentals offered in the *Argus* were single-family homes, townhouses and condos. In April 2000, 22 housing units were listed with rent ranging from $600 for a cottage to $2,100 for a four-bedroom house. Rents at the major apartment complexes were not much lower than single-family houses. In May 2000, rents in the city's older apartment buildings ranged from $1,000 to about $1,700 depending on the size of the unit and rents at Sycamore Bay, the only major apartment complex constructed in the 1990s, ranged from $1,640 to $2,425, again depending on the size of the unit. The median rent for both houses and apartments was about $1,300—almost an 80 percent increase over the 1990 median rent of $728. Many single-family homes rented for significantly less than apartments with the same number of bedrooms.

Housing Affordability

Affordable housing is defined as housing that costs 30 percent or less of monthly income. Table 5-21 shows data from the 1990 Census on the percent of owners and renters paying more than 30 percent of monthly income for housing by income categories.

TABLE 5-21 HOUSEHOLDS PAYING MORE THAN 30 PERCENT OF MONTHLY INCOME FOR HOUSING, 1990

Household Income	Owner Households			Rental Households		
	Total #	Paying 30 %+ #	%	Total #	Paying 30%+ #	%
Less than $10,000	153	87	56.9	452	433	95.8
$10,000-$19,999	389	163	41.9	475	439	92.4
$20,000-$34,999	1,048	477	45.5	801	487	60.8
$35,000-$49,999	1,600	728	45.5	792	237	30.0
$50,000 or more	4,691	1,035	22.1	810	23	2.8
Totals	7,881	2,490	31.6	3,330	1,619	48.6

Source: 1990 U.S. Census

Table 5-21 shows that in 1990 almost one-third of the homeowners and one-half of the renters were paying more than 30 percent of their monthly income for housing. Over 90 percent of renters with incomes less than $20,000 paid more than 30 percent of monthly income for housing. For both homeowners and renters, incomes had to reach $50,000 before households overpaying dropped to 30 percent or less. At the higher incomes, homeowners were more likely than renters to be overpaying for housing. Homeowners comprise 70 percent of the households and 60 percent of the over-payers; conversely, renters comprise 30 percent of the households and 40 percent of the over-payers. These data confirm that in 1990, many households paid too much for housing and the problem was most severe for low-income renters.

ABAG suggests that jurisdictions determine housing affordability using income limits for a family of four provided annually by HCD for each county. Table 5-22 lists the Alameda County income limits for March 2000 for each of the income categories considered in the housing element. The income limits are calculated from a median income of $67,600. The table also shows the monthly housing cost at 30 percent of monthly income.

TABLE 5-22 INCOME LIMITS AND AFFORDABLE MONTHLY HOUSING COSTS FOR A FAMILY OF FOUR, ALAMEDA COUNTY, MARCH 2000.

	% of Median Income*	Incomes	Affordable Monthly Housing Costs
Very Low	up to 50%	up to $33,800	up to $845
Low	between 50% and 80%	$33,801-$54,080	$845-$1,352
Moderate	between 80% and 120%	$54,081-$81,100	$1,352-$2,027
Above Moderate	above 120%	above $81,100	above $2,027

*Alameda County median income in March 2000 was $67,600.
Source: California Department of Housing and Community Development, *Income Limits Pursuant to Title 25, Sec. 6932, California Code of Regulations*, March 2000. Monthly housing cost calculated at 30 percent of monthly income.

Table 5-22 shows that in March 2000, a very low-income family of four should not be paying more than $845 a month for housing. A low-income family could afford to pay between $845 and $1,352 for housing and a moderate-income family could afford housing costing $1,352 to $2,027 per month.

As noted above, in spring 2000, it cost approximately $2,560 per month for a mortgage on the median priced house. Since half the houses are for sale at or less than the median price, it is reasonable to assume that many moderate- income families of four could afford to purchase a house. However, homes constructed in the last few years are more expensive. For three recent low-density developments with a total of 134 units (Kaufman and Broad, Willow Bend and Robertson Avenue) the average sale price was about $540,000. Mortgage payments on these houses would be close to $3,500 a month at 80 percent down and 8 percent interest. This places most new low-density single-family homes out of reach for even moderate-income families.

Rents in spring 2000 ranged from $600 to $2100 with a median of about $1300. Most of the units for rent were single-family homes suitable for a family of four. At these rents very low-income families would have difficulty finding housing they could afford. Rents in the newest apartment complex, Sycamore Bay with 311 units, ranged from $1,640 to $2,425. These new units would be affordable to moderate-income families but not to low- or very low-income families.

Energy Conservation

During the 1990s, Newark did not initiate any actions to decrease energy costs for renters and homeowners. The city enforces state energy conservation requirements and the local utility, Pacific Gas and Electric, has an active program to encourage energy conservation that is available to Newark residents.

Non-Discrimination

The ECHO Housing Assistance Center handles discrimination complaints in many East Bay cities including Newark. Part of its funding comes from the federal Community Development Block Grant program through Alameda County. In the year ending June 30, 1999, ECHO counseling services handled 4 fair housing complaints in Newark. One was for gender discrimination, 2 for racial discrimination and 1 for religious discrimination. The number of complaints was low in Newark and in the other cities served by ECHO, probably because of the very tight market for rental housing.

Complaints related to tenant/landlord relations were much more prevalent. Table 5-23 shows the number of complaints from Newark for each of the last five fiscal years ending June 30, 2000. During the fiscal year 1999-00, ECHO received 110 tenant/landlord complaints from Newark. Over the last five years the number of complaints has ranged from 57 in 1995-96 to 142 in 1997-98. Staff at ECHO indicates that Newark's rate of tenant/landlord complaints is comparable to that of surrounding communities—Union City, Fremont and Hayward. The largest number of complaints involves evictions and the return of cleaning deposits. Some calls regard repairs, rent increases and harassment or discrimination. Most complaints come from apartment renters rather than renters of single-family houses.

TABLE 5-23 TENANT-LANDLORD COMPLAINTS

Fiscal Year	Number of Complaints
1995-96	57
1996-97	114
1997-98	142
1998-99	88
1999-00	110

Source: Echo Housing Assistance Center, August 7, 2000

Preserving Assisted Housing and Housing Conservation

As required by a 1989 addition to the housing element law, Newark has analyzed the need to preserve assisted housing. The only assisted housing project in the city is Newark Gardens, a 200-unit housing project operated by Satellite Senior Homes for low- and very low-income seniors. All 200 units are protected by an Option and Development Agreement executed by the city on May 14, 1981 and applied to the new units constructed in the early 1990s. There is no deadline on the affordability requirement; therefore, no program to preserve existing assisted housing in Newark is needed.

Most of the affordable housing in Newark is not protected by public agreements or subsidies. Increases in market rents and the price of housing threaten the future affordability of currently affordable housing. To conserve its stock of affordable housing, Newark participates in the Section 8 rent subsidy program and the Alameda County housing rehabilitation program. The rehabilitation program helps conserve affordability by helping owners with maintenance costs. In the case of rental properties this can prevent rent increases.

5.3 HOUSING NEEDS

Newark recognizes a responsibility to provide sites for a share of regional housing needs and also for meeting, to the extent possible, the special housing needs of Newark residents. The regional housing need is determined by ABAG and allocated to cities and counties in the Bay Area.

ABAG Housing Needs Allocation

Under mandate from the state, ABAG allocates housing need to the localities in the San Francisco Bay Area. The recent allocation is for the seven-year period 1999-2006 and must be considered in the housing element. According to ABAG, Newark's housing needs by income category are as listed in Table 5-24.

TABLE 5-24 HOUSING NEEDS NUMBERS FOR NEWARK, 1999-2006

Household Income	% Median Income	# of Units	% of Units
Very Low	Under 51%	205	16.4
Low	51-80%	111	8.9
Moderate	81-120%	347	27.7
Above Moderate	over120%	587	47.0
Total Housing Need		1,250	100.0

Source: ABAG, 2/1/00, Regional Housing Needs, 1999-2006 Allocation.

The state expects Newark to ensure availability of sites for 1,250 housing units during this seven-year period. To build that many units means a construction rate of about 179 units per year—well above the rate of 91 per year achieved during the 1990s. In its most recent annual five-year economic forecast, Joint Ventures of Silicon Valley analyzed development trends in Newark from 1999 through 2004. The report forecasts development of 294 single-family houses and townhouses and 90 condos and apartments for a total of 384 units during this period. This is a rate of 77 per year—about 100 per year less than the ABAG number.

With most of the land suitable for housing already developed in Newark, meeting the overall housing production goal set by ABAG will be a challenge. Analysis of vacant and reusable land suitable for housing yields a total housing capacity in Newark of about 2,322 units. If the ABAG numbers are to be met, over half of this capacity must be used in the next six years.

On the positive site, housing construction appears to be increasing. During 1999, 189 housing units were approved or constructed (Carter Station 50, Kaufman & Broad 113, Willow Bend 12, Robertson Avenue 14, Purity Plaza 33). This was a higher rate of construction than earlier in the decade. The new developments were all single-family houses, but Carter Station is a zero lot line development with densities comparable to earlier townhouse developments. Some of the new houses were affordable to moderate-income families.

It is important to Newark that public safety officers, school teachers, heath industry workers and others who serve the city have an opportunity to live in the city. Entry level positions for public safety officers pay about $60,000 per year and for teachers about $40,000 per year. A four-person household with an annual income of $60,000 would be considered a moderate-income household and a four-person household with an annual income of $40,000 would be considered a low-income household. As both rents and the price of new housing increase, Newark will likely see a decline in housing choices for these households as well as for others with limited incomes.

Special Housing Needs

State law requires that the housing element address the special needs of the handicapped, elderly, large families, female-headed households, farmworkers, and the homeless. Many residents with special needs qualify for Section 8 rental assistance. Rents in Newark are low enough to make this a viable program in the city. According to the Alameda County Housing Authority, in April 2000, Newark had 193 households using Section 8 in April 2000. Of these, 116 received certificates providing a rent subsidy to bring rent down to no more than 30 percent of income. Another 76 received vouchers in which the renter gets a specified level of subsidy and may qualify for more expensive units by paying more than 30 of monthly income. One recipient was receiving help during recovery from a disability (an "aftercare" program). Certificates are being phased out in favor of vouchers.

Persons with Disabilities

As shown in Table 5-25, over 3,000 or 10.8 percent of Newark residents over the age of 15 had disabilities in 1990 that impaired their ability to work, get around or care for themselves. Disabilities were a part of life for 8.6 percent of those 16 to 65 years old and 40 percent of those 65 years old and older. The high percentage of seniors with disabilities may indicate a need for special housing and other assistance.

TABLE 5-25 DISABILITY STATUS OF NEWARK RESIDENTS, 1990

	16-64 years old		65 years +		Totals	
	#	%	#	%	#	%
Total Population*	26,092	100.0	2,020	100.0	28,112	100.0
Work Disability	1557	6.0	706	35.0	2,263	8.0
Mobility/Self-care Limitation	673	2.6	101	5.0	774	2.8
Total with Disabilities	2,230	8.6	807	40.0	3,037	10.8

*noninstitutionalized persons
Source: 1990 U.S. Census

In February 2000, Newark added new conditions for the approval of PUDs and other discretionary residential projects regarding handicapped access. For single family projects, the developer must increase "sidewalk to door" access, minimize impediments to site accessibility, make all reasonable effort to insure that at least 5 percent of the units are "sidewalk to door" accessible, and use internal and external design elements to permit adaptations for handicapped persons. For multifamily projects, the developer must locate adaptable and accessible units on the most accessible route in the project, minimize impediments to access to both buildings and landscape areas, and use internal and external design elements to allow units to be adapted for use by handicapped persons.

The Bay Area Community Services (BACS) coordinates some services for the mentally disabled and the elderly handicapped in the Tri-Cities area. BACS recently assumed operation of an adult day care program formerly operated by Easter Seal. The program provides recreational and social opportunities for adults over 60 year old who are physically disabled, frail or have chronic diseases. Clients are not living independently, but are with a spouse, family member or in a board and care home. One objective of the program is to give respite to caregivers. The program is currently in transition from Easter Seal management and use has fallen off, but it can accommodate up to 45 clients—more than it is currently serving. In addition, in September 2000, Newark had 4 licensed residential care facilities serving 24 disabled adults, a small family facility serving up to 4 disabled children, and 10 residential care facilities providing 24-hour care to 62 elderly residents (California Department of Social Services, Community Care Licensing Division, September 2000).

Elderly

In 2000, 3,324 people (7.8 percent of Newark's population) were over 64 years old--an increase of 1,300 people (65 percent) since 1990. In 2000, 2,466 households (19 percent of the 12,992 households) included individuals 65 years and older. The number and percentage of senior citizens in Newark is growing. In 1990, 1129 households were headed by persons over 64 years old. Of these, 862 owned their homes and 267 rented their homes.

In 1990, there were 2,020 seniors, 99 or 5 percent with incomes below the poverty level and, as noted above, 807 or 40 percent with some disability. In 1990 seniors headed 1, 214 households or 10 percent of the city's 12, 015 households. Of the senior-headed households, 952 were owner occupied and 262 renter occupied. Income for households headed by seniors was significantly lower than for households as a whole. Table 5-26 shows that over 55 percent of the senior households had incomes under $25,000 while only 16.5 percent of all Newark households fell into this range. While median income for all Newark households was over $50,000, median income for senior households was less than half that amount.

TABLE 5-26 HOUSEHOLD INCOME—HOUSEHOLDERS OVER 64 YEARS OLD, 1990

Income Range	Households with Householder 64+	Percent	Total Newark Households Percent
Under $10,000	290	24.3	5.2
$10,000-$24,999	371	31.1	11.3
$25,000-$49,999	337	28.3	32.5
$50,000 and over	195	16.3	51.0
Totals	1193	100.0	100.0

Source: 1990 U.S. Census

Senior households were also paying higher percentages of their income for housing than other households but, as shown in Table 5-27, the situation was far worse for renters than homeowners. Almost 60 percent of households headed by seniors paid 30 percent or less for housing, but almost all owned their homes. For renters alone, only 31 (11.8 percent) paid 30 percent or less.

A total of 489 households (40 percent) were paying more than 30 percent for housing. Although the numbers were about evenly split between owners and renters, the problem for renters is much more severe. The value of housing is increasing and the senior homeowners can sell their homes and often live comfortably on the proceeds.

TABLE 5-27 PERCENT INCOME SPENT ON HOUSING—HOUSEHOLDS WITH HEAD OVER 64 YEARS OLD

Percent of Income	Owner-Occupied		Renter-Occupied		Total	
Paid for Housing	#	%	#	%	#	%
Less than 20%	553	58.1	13	5.0	566	46.6
20%-30%	141	14.8	18	6.8	159	13.1
Over 30%	258	27.1	231	88.2	489	40.3
Total	952	100.0	262	100.0	1,214	100.0

Source: 1990 U.S. Census

In 1990, 150 senior households lived in Newark Gardens, a project serving low-income seniors. Most of these households were receiving Section 8 rental assistance and were not paying more then 30 percent of income for housing. In the early 1990s, Newark contributed $200,000 toward an expansion of the senior project that added 50 more units and a multipurpose room available to all senior citizens in the city. Much of the need identified in the 1990 Census would be met by this

project, however, evidence indicates that the need for low-cost senior housing continues to outrun the supply. In January 2001, the waiting list at Newark Gardens was so long that it was closed and those on the list were waiting an average of four years for accommodations (Satellite Senior Homes, telecon, January 9, 2001).

Large Families

In 1990, Newark had a larger average household size than any other city in Alameda County except its neighbor, Union City, and ABAG projects that average size will continue to rise through 2005, peaking at 3.48 persons per household. Table 5-28 lists occupied housing units by size of household . In 1990, 2,118 households (17.6 percent) had 5 or more persons; 1430 (16.5 percent) of these households were occupied by owners and 688 (20.6 percent) by renters. The distribution of household size was about the same for renter and owner households.

It is likely these larger than average households accounted for many of the 1,156 overcrowded housing units in Newark in 1990, but many large households are undoubtedly accommodated in housing of suitable size. As noted above, 70 percent of Newark's housing units have 3 or more bedrooms. Newark has a large supply of single-family rentals so that both the owner and rental markets provide reasonably well for larger families. Newark has a significant number of large households in part because it has housing that is suitable.

TABLE 5-28 OCCUPIED HOUSING UNITS BY SIZE OF HOUSEHOLD, 1990

	Housing Units		Owner-Occupied		Renter-Occupied	
Persons in HH	#	%	#	%	#	%
1	1,653	13.7	1,107	12.8	546	16.3
2	3,341	27.8	2,545	29.3	796	23.8
3	2,569	21.4	1,878	21.7	691	20.7
4	2,334	19.4	1,712	19.7	622	18.6
5	1,161	9.7	816	9.4	345	10.3
6	501	4.2	319	3.7	182	5.5
7 +	456	3.8	295	3.4	161	4.8
Totals	12,015	100.0	8,672	100.0	3,343	100.0

Source: 1990 U.S. Census

Female-Headed Households

According to the 1990 Census, Newark had 1,351 family households and 1,189 non-family households headed by women for a total of 2,540 households. This was 21.2 percent of all households in the city. Of these households, 707 had children under 18 years old. Incomes tended to be lower in households headed by women. In fact, 209 (15.5 percent) of the female-headed family households had incomes below the poverty level. All but 5 of the female-headed family households living in poverty included children under 18 years old. These households had very limited housing choices in 1990 and, with the upward trend in housing costs, their choices would be more limited in 2000. However, with Newark's relatively generous supply of moderately priced family housing (both single family and multifamily), the effective use of Section 8 rental assistance, and new programs to provide affordable housing (an inclusionary housing program and programs to convert commercial and industrial land to housing) the needs of these households should be reasonably well met.

Farmworkers

In 1990, 132 Newark residents were employed in agriculture, forestry and fisheries. However, Newark has no remaining land in agriculture and no farmworkers employed in the city. Farmworker housing is not needed in Newark.

Homeless

For nearly 30 years, Newark has rented a facility to Second Chance to operate an emergency shelter. During the 1990s, 15 beds were added, doubling the capacity of the shelter to 30 beds. The shelter has a dorm for single men, a dorm for women and children and two family rooms that can each accommodate up to six people. The shelter accepts the homeless who also have drug and alcohol problems and runs a counseling and referral service to help with these problems.

The director describes the city as a "great partner." He feels the shelter meets most of the need in the city and indicates that if the city had many more beds, the occupancy rate would fall. Over the past year, the dorms were always full and the family rooms were used but not always at full capacity. Average occupancy was 29 people per night. About 25 percent of those served identify themselves as Newark residents.

Over the last decade an extensive network of emergency shelters has emerged in the East Bay to address the problem of homelessness. Some shelter special populations such as battered women and children, single women, single men, men and women with mental disabilities, men and women with drug or alcohol problems, AIDS and HIV patients, and domestic violence victims. Some are short-term emergency shelters and others provide long-term housing leading to permanent rehousing.

In addition to Second Chance, the Tri-City Homeless Coalition, provides shelter services to Newark residents at Sunrise Shelter in Fremont. The shelter has space for 36 family members and 30 single adults. In spring 2001, there were 44 families on the waiting list and it will be 3 to 4 months before space is available for most of them. Each night between 5 and 10 single men and women are turned away. Most of the homeless cite rent increases as the reason for their lack of a home. Last year the shelter served 470 people. Sixty-seven, or 14 percent, were from Newark.

In 1997, an Alameda County task force surveyed the "street" homeless in the county. The report estimates there are 1,100 homeless adults and children in the Tri-Cities area each night. Over the course of a year, about 2,500 people are homeless at some time. Shelter space in the three cities does not meet this need. Newark has 13.7 percent of the population in the Tri-Cities. To provide 13.7 percent of the needed shelter space in the Tri-Cities, Newark would need a total of 150 beds. Since the city already has 30 beds, 120 new beds would be needed.

In addition to shelters, Newark permits community care facilities serving up to 7 residents in all residential zones. Facilities with 7-12 residents are permitted in all residential zones with a conditional use permit that can be issued administratively with review by the city council. Shelters or community care facilities with more than 12 residents would be a conditional use in any zone requiring a public hearing before both the planning commission and city council. Such uses can also be approved as PUDs.

5.4 SITES AVAILABLE FOR HOUSING

Vacant or reusable land in Newark is getting scarcer every year. In 1998, Newark completed an inventory of vacant and reusable parcels in the city as part of a general plan/zoning consistency study. The inventory included 52 sites. In August 2000, city staff reviewed the status of all the sites and added 13 more to the list. These 65 sites were reviewed in spring 2001 and 9 were removed because development had occurred. Table 5-29 lists the remaining 56 vacant or reusable sites in Newark with comments on their status as of spring 2001 and potential for housing. The site numbers are keyed to the map in Figure 1. A "V" next to the number indicates the site was vacant in spring 2001; a "R" indicates that it has potential for reuse or redevelopment.

TABLE 5-29 VACANT AND REUSABLE SITES IN NEWARK

#		General Location	GP*	Zoning*	Acres	Units	Status—Spring 2001
2	V	Four Corners	CC	CC	n/a		Commercial pad in shopping center.
3	V	Four Corners	CC	CC	n/a		Commercial pad in shopping center.
4	V	Newark & Rte. 84	CC	CC	1.50		2 hotels approved.
5	V	W. Dumbarton Court	SI	MT-1	4.86		No housing— next to freeway, RR & ammonia vat.
6	V	End of Gateway	SI	A	2.50		Nancy's Quiche expansion.
7	V	Firecrest St.	SI	MP	3.06		Nancy's Quiche expansion.
8	V	Firecrest & Gateway	SI	MP	1.40		In industrial area—no housing.
11	V	Cargill on Thornton	LI	ML	10.00		Cargill Salt—LI in Area 2 Plan.
12	R	Area 2, near Willow	SI	MT-1	161.40		Specific plan for high tech & college.
13	V	Willow & RR	LR	MG	2.22	15	Housing project planned @R-6000.
14	V	Across from Area 2	LI	ML	5.73	166	Housing possible @R-1500.
19	V	Old Town Infill 1	HR	CG	1.17	34	None now, 34 units total @R-1500.
20	R	Old Town Reuse 1	HR	CG	1.98	57	1 existing, 58 units total @R-1500.
21	V	Old Town Infill 2	MR	CG	0.42	7	GP for housing (R-2500).
22	R	Old Town Reuse 2	MR	CG	0.69	11	1 existing, 12 units total @R-2500.
23	R	Old Town Reuse 3	MR	CG	0.29	3	2 existing, 5 units total @R-2500.
24	R	Old Town Reuse 4	HR	R-2500	2.69	42	36 existing, 78 units total @R-1500.
25	V	Old Town Infill 3	MR	CG	0.43	7	GP for housing @R-2500.
26	V	Old Town Infill 4	MR	R-2500	0.46	4	4 SF units going to PC in August 2000.
27	V	Old Town Infill 5	MR	R-2500	0.24	4	GP and zoning for housing (R-2500).
28	V	Old Town Infill 6	MR	R-2500	0.36	6	GP and zoning for housing (R-2500).
29	V	Old Town Infill 7	LR	R-6000	0.43	3	GP and zoning for housing (R-6000).
30	V	Old Town Infill 8	LR	R-6000	2.23	16	Housing subdivision proposed.
31	R	Old Town Reuse 5	MR	CG	0.17	2	1 existing, 3 units total @ R-2500.
32	R	Old Town Reuse 6	MR	CG	0.17	2	1 existing, 3 units total @R-2500.
33	V	Old Town Infill 9	HR	CG	0.38	11	GP residential, but commercial likely.
34	V	Old Town Infill 10	MR	R-2500	0.82	14	GP and zoning for housing (R-2500).
35	V	Old Town Infill 11	MR	CC	0.36	6	GP housing, zoning commercial.
36	R	Old Town Reuse 7	MR	CC	0.13		Restaurant likely to stay.
37	V	Old Town Infill 12	MR	CC	0.23	4	GP housing, zoning commercial.
38	V	Old Town Infill 13	MR	CC	0.26	4	GP housing, zoning commercial.
39	R	Old Town Reuse 8	MR	CC	0.34	4	2 existing, 6 units total @R-2500.
40	V	Old Town Infill 14	CC	CC	0.77		GP and zoning for office use.
41	V	Old Town Infill 15	MR	R-2500	1.86	32	Valencia II; 37200 Sycamore
42	R	Old Town Reuse 9	HR	R-2500	1.24	31	5 existing, 36 units total @ R-1500.
43	R	Old Town Reuse 10	HR	CPA	0.48	5	9 existing, 14 units total @ R-1500.
44	V	SW Thornton	HR	CPA	0.66	19	Designated HR in General Plan.

TABLE 5-29 CONTINUED

#		General Location	GP	Zoning	Acres	Units	Status—Spring 2001
45	R	Newark/Mayhews	NC	CN	0.53	4	Housing project planned (R-6000).
46	V	Cedar/Civic Terrace	HR	R-1500	0.25	7	GP & zoning for housing (R-1500).
48	R	Thornton near Arden	HR	CPA	0.23	4	PO parking—possible senior housing.
49	R	Near Birch & RR	PI	R-6000	7.62	55	School maintenance, housing OK.
50	V	Vacant on Clark	GC	CG	3.22		Site for new school maintenance center.
51	V	Central, S. of Cherry	GC	CG	2.01		No housing—next to gas company.
52	V	Robertson Ave.	GI	MG	10.61		Desalinization plant, industrial use.
53	V	Robertson, S of Birch	LR	R-7000	1.19	7	GP and zoning for housing (R-7000).
54	R	Cedar & Smith	LR	R-7000	4.30	42	Church, 20 SF houses proposed (R-4500).
55	R	Between 880/Cedar	LI	ML	23.9	694	Potential reuse for housing @R-1500.
56	V	Cedar Court	CC	CC	2.24		Between 2 hotels—commercial.
57	V	Near Mall 1	RC	CR	3.12		Commercial pad in shopping center.
58	V	Near Mall 2	RC	CR	2.76		Commercial pad in shopping center.
59	V	Cedar by Challenger	CC	CC	2.73		VW/Saturn dealership.
60	V	Cedar/Mowry School	CC	CC	5.56		2 R&D office buildings proposed.
61	V	Pad Mowry School	CC	CC	0.11		GP and zoning commercial.
62	V	Sun / Sobrato	SI	MT	81.54		GP and zoning for hi-tech.
63	V	Sobrato on Cherry	SI	MT	79.80		GP and zoning for hi-tech.
65	V	Area 4, west of RR	LR	A/MG	560.00	1,000	Housing/recreation area planned.
		Total			1003.65	2,322	

* GP = General Plan. GP and zoning designations are defined in the section, *Government Constraints*.
Shading indicates sites with potential for housing development, 1999 to 2006.

Sources: Spangle Associates, *Zoning Consistency Study*, 1998. Updated by Spangle Associates with information from Newark Department of Community Development

The inventory lists 56 sites. The 54 sites for which acreage is shown have a total of about 1,004 acres. Forty of the sites containing 797 acres are vacant and 16 sites containing 206 acres have potential for reuse. Since the inventory, several of the sites have been committed to development. Several others are not suitable for housing for various reasons noted in the table or are unlikely to be developed within the time frame of the element.

The 34 sites most likely to be developed for housing by 2006 are shaded in the table. These sites have 624 acres—about 62 percent of the total acreage in the inventory. They include 20 vacant sites with 580 acres. About 560 of the vacant acres are in Area 4, west of the railroad tracks (#65). This area is planned for a golf course and single-family housing. Because of environmental factors, densities are expected to be lower than two units per gross acre in this area and the houses will be affordable only to above moderate-income households. The City of Newark is able to meet its housing needs numbers for very low, low and moderate income housing without relying on site #65 for any units.

Fourteen of the sites with 44 acres are potentially reusable for housing. Redevelopment of underused sites is becoming common in Newark. Since the 1990 element was prepared, over 400 units have been provided through redevelopment of commercial or industrial sites.

The largest number of units that could be developed on these 34 sites under the zoning noted in Table 5-29 is 2,322 units—almost double the 1,250 units calculated by ABAG as Newark's housing need.

However, removing site #65 from the calculations leaves 33 sites with 64 acres and a potential yield of 1,322 units. Affordable housing is a possibility on all these sites.

All 33 sites are now served with streets, water, sewers and utilities suitable for housing development. Most of the individual sites are small. The average site size is about 2 acres, but 21 of the sites are smaller than 1 acre. Although few of the sites are contiguous, small sites do concentrate in the Old Town area—the area with greatest potential for infill and reuse of individual lots.

Planning and Zoning Status of Potential Housing Sites

The city will amend the general plan and/or change the zoning to ensure the availability of the 33 potential housing sites during the timeframe of the housing element. Table 5-30 and the following sections summarize the general plan and zoning status of the 33 sites.

TABLE 5-30 PLANNED USE AND ZONING OF POTENTIAL HOUSING SITES

	Vacant			Reusable			Totals		
	sites	acres	units	sites	acres	units	sites	acres	units
Planned and zoned for housing	9	7.8	93	3	8.2	115	12	16.0	208
Planned; not zoned for housing	9	6.1	107	8	4.4	88	17	10.5	195
Zoned; not planned for housing	0	–	–	1	7.6	55	1	7.6	55
Not planned or zoned for housing	1	5.7	166	2	24.4	698	3	30.1	864
Totals	19	19.6	366	14	44.6	956	33	64.2	1,322

Source: Table 5-29

Sites Planned and Zoned for Housing

Sites that are planned and zoned for housing are immediately available for housing construction. These include nine vacant and three reusable sites. The vacant sites (#26, 27, 28, 29, 30, 34, 41, 46 and 53) have a total of 7.8 acres and a potential for 93 housing units. Three of the sites are zoned for low-density housing, five for medium density and one for high density. Owners have already proposed projects on three of the sites (#26, 30 and 41) with a total potential of 52 units.

The three reusable sites (#24, 42 and 54) have 8 acres and a potential for 115 housing units. Two are Old Town sites—one is planned and zoned for high-density residential (#24) and the other is planned for high density, but still zoned for medium density. The city will evaluate rezoning this latter site (#42) for high density residential. The third site (#54) is a 4.3-acre church site with a potential for 42 housing units if rezoned to R-4500.

Sites Planned but not Zoned for Housing

The 17 sites with 10.5 acres that are now designated for housing in the general plan, but not yet zoned for housing have the potential to accommodate 195 housing units. These sites include nine vacant sites (#13, 19, 21, 25, 33, 35, 37, 38 and 44) with a total of 6.1 acres and a potential for 107 housing units. Of the vacant sites, one 2.2 acre site is designated as low-density (#13). Owners are preparing a plan for 15 single-family houses on this site. The other eight sites include five planned for medium density (#21, 25, 35, 37 and 38) and three for high density (#19, 33, 48). The city is unaware of any plans to develop these sites.

The eight reusable sites (#20, 22, 23, 31, 32, 39, 43 and 48) contain 4.4 acres with a potential for 88 housing units. Six of the sites (#20, 22, 23, 31, 32 and 39) are designated medium density. Two sites are designated for high-density housing (#43 and 48). Site #48 is a parking lot next to the old post office that could be combined with other city owned property for senior housing. All 17 sites are currently zoned for commercial or industrial uses and will be rezoned to accommodate the planned housing.

Sites Zoned but not Planned for Housing

One reusable site (#49) falls into this category. The school maintenance yard now located on this 7.6-acre site is being relocated. The parcel is designated for public/institutional use in the general plan, but zoned R-6000 for single-family homes. Developed at R-6000, the site could hold 55 houses. A general plan amendment is needed for that to happen.

Sites not Planned or Zoned for Housing

The three sites in this category (#14, 45, and 55) contain 30 acres with potential development of 864 housing units—the most acres and units of any category. One site (#14) across from Area 2 is vacant and designated for industrial use in the general plan and zoning ordinance. The city will consider changing the planning and zoning designations to high density residential to accommodate up to 166 units on this site.

The other two sites have potential for reuse for housing. The owner is planning to develop 4 single-family houses on a _ acre commercial site near Newark Boulevard and Mayhews Landing (#45). Most of the potential new units would come from the reuse of a site consisting of several parcels between the 880 freeway and Cedar Boulevard (#55). The area currently contains various auto repair shops, RV storage and related services. If combined and cleared, the parcels would create a 24-acre site that could be developed for high-density housing. Newark has received an HCD grant to evaluate the feasibility of this project and begin strategic planning for site conversion, and the city will rezone the site to R-1500 by 2004. At this density, the site could accommodate 694 units. Development would probably occur under the city's PUD provisions allowing flexibility in project design. The actual number of units might be higher or somewhat lower.

Availability of Sites for Affordable Housing

With the general plan amendments and rezoning as noted above, Newark will have provided sites for 1,322 new housing units—more than enough to meet the total need as determined by ABAG and replace the five units that might be demolished because of deterioration. If the housing market remains strong, the housing is likely to be built. Whether or not the sites will meet the needs of very low-, low- and moderate-income households depends in part on the density of development permitted on the sites. The sites would be available at the densities shown in Table 5-31.

TABLE 5-31 DENSITIES PROPOSED FOR HOUSING SITES

General Plan Densities	# of Sites	Acres	% Acres	Units	% Units
Low Density (4.2-8.5 units/net acre)	7	14.7	22.9	104	7.9
Medium Density (6.5-15 units/net acre)	15	10.9	16.9	148	11.2
High Density (15-30 units/net acre)	11	38.7	60.2	1,070	80.9
Totals	33	64.3	100.0	1,322	100.0

Source: Table 5-29

The table shows that eleven sites with 60 percent of the acreage available for housing will be planned and zoned for high-density housing. These sites can accommodate 1,070 units—more than 80 percent of the potential housing. In general, higher-density housing costs less per unit to build and, therefore, is more likely to be affordable to households with very low, low and moderate incomes. In addition, land costs per unit can be significantly less in high-density projects. For example, in three recent residential projects in Newark, land costs were $36,500 per unit for a 10-unit apartment building, $41,667 per unit for a 12-unit condominium project and $186,364 per unit for a 110-unit

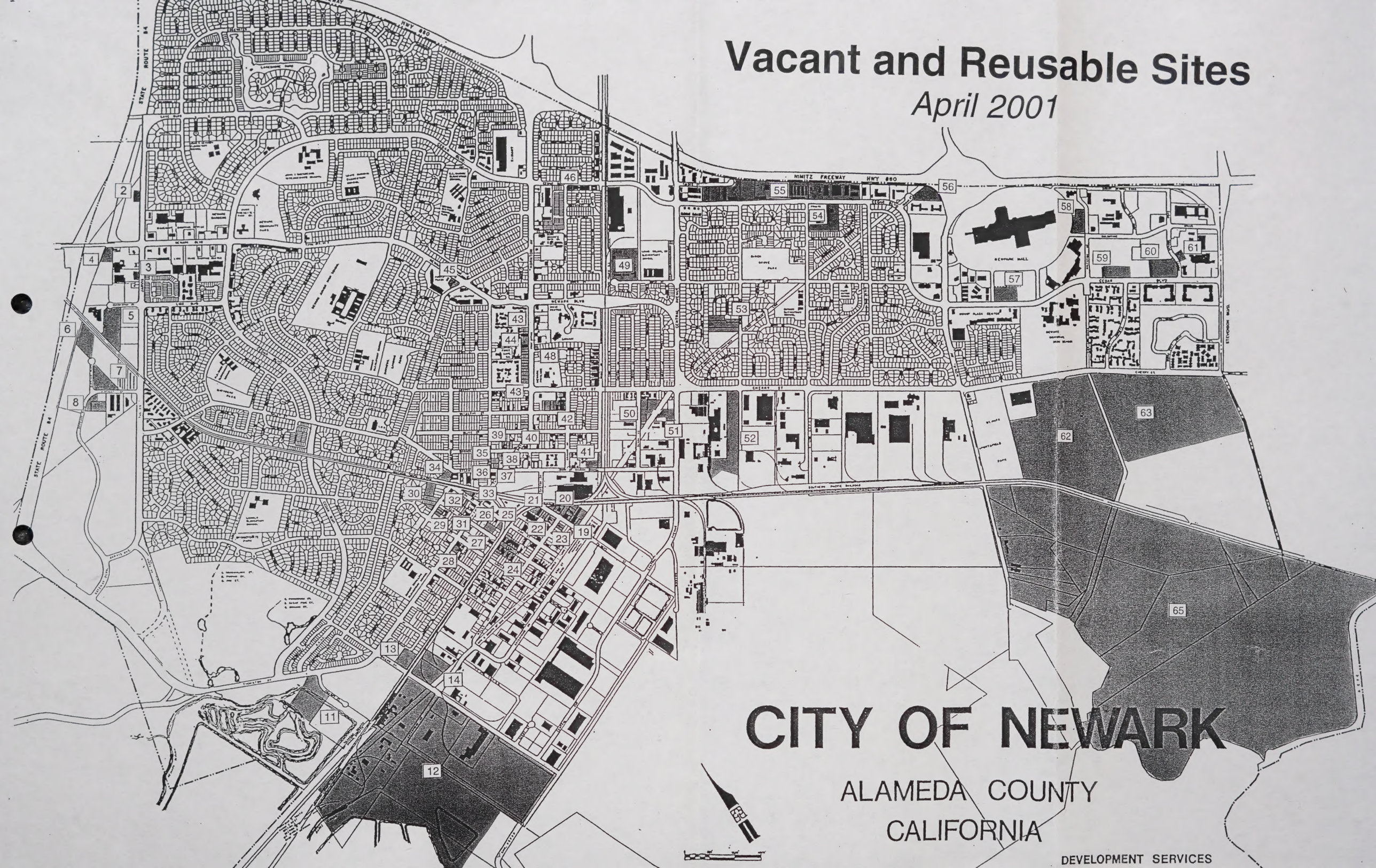
single-family development. The lower costs per unit for high-density projects allow lower sales prices and rents.

Based on this relationship between density and eventual price of housing, the city assumes that most moderate-income households can afford housing produced at medium or high densities and that most households with low incomes and some with very low incomes can afford high density housing. This assumption is supported by the analysis of affordability that shows that in spring 2000, families with moderate incomes could afford to purchase houses on the market. In addition, rents were generally affordable to families with low and moderate incomes.

Newark can do its part by rezoning the sites, removing any governmental obstacles to housing construction and seeking ways to ensure that appropriate numbers of new units are available to very low-, low- and moderate-income households. The section, *Programs and Quantified Objectives,* describes the steps that Newark will take to ensure that enough sites are available to meet the housing needs of moderate-, low- and very low-income households and those with special needs identified in the element. However, many of the critical decisions about the number and affordability of future housing units will be made by private property owners.

Vacant and Reusable Sites

April 2001



CITY OF NEWARK

ALAMEDA COUNTY

CALIFORNIA

DEVELOPMENT SERVICES

5.5 CONSTRAINTS TO HOUSING DEVELOPMENT

State housing element law requires that local governments analyze government and non-governmental constraints to the provision of housing and indicate what actions local governments will take to remove or reduce the identified constraints.

GOVERNMENTAL CONSTRAINTS

The requirement to identify government constraints is based on the hypothesis that restrictive local policies, regulations and fees limit the supply of land available for housing and are, thus, partly responsible for the lack of affordable housing.

Newark is more receptive to housing development than many Bay Area cities and generally has no unreasonable constraints. Recent developments have densities ranging from less than 3 to 26 units per gross acre with most units provided at the higher densities. Many of the recent single-family homes are in small lot or zero lot line subdivisions and are targeted for first-time homebuyers. However, some policies may limit the ability to provide affordable housing. The housing market in Newark has traditionally provided moderately-priced housing. To increase diversity in the community, Newark's general plan encourages development of more expensive housing as well as housing affordable to low- and very low-income households. A major theme in the plan is the need to improve both the quality and safety of existing and new housing. This effort sometimes means higher rents and costs for housing. However, programs in this element, particularly inclusionary zoning and rezoning of commercial and industrial land for residential development mitigate this potential constraint.

Land Use and Site Improvement Requirements

Newark's general plan includes three residential designations: Low Density Residential (LR), Medium Density Residential (MR), and High Density Residential (HR). The Low Density Residential designation is intended primarily for single-family residential development and includes densities ranging from 4.2 to 8.5 dwellings per net acre. Most residential land in the city falls under this designation.

The Medium Density Residential district accommodates densities ranging from 6.5 to 15 dwellings per net acre, and may include single-family homes as well as duplexes and larger multifamily structures. However, density bonuses may be granted that increase the actual densities. Much of the city's medium density land is located in and around Old Town, near the Historic Newark commercial area on Thornton Avenue.

The High Density Residential district is intended for densities between 15 and 30 dwelling units per net acre, although development at lower densities is allowed. The largest high-density residential area in the city is located between Cedar Boulevard, Stevenson Boulevard, and Cherry Street and is developed with several condominium complexes.

To implement these General Plan designations, the Zoning Ordinance contains one or more zoning districts that fit with each designation. There are four low density residential zoning districts: R-10,000, R-8,000, R-7,000 and R-6,000; one medium density zoning district: R-2,500; and two high density zoning districts: R-1,500 and RH. Table 5-32 summarizes the uses allowed in each of these districts.

TABLE 5-32 USES IN RESIDENTIAL ZONING DISTRICTS

Use	Zoning District R-10000	R-8000	R-7000	R-6000	R-2500	R-1500	RH
One-family	P	P	P	P	P	P	P
Multifamily (<5 units)					P	P	P
Lodging-houses						P	
Room /room & board	P	P	P	P	P	P	P
Noncommercial horticulture	P	P	P	P	P	P	P
Home occupations	P	P	P	P	P	P	P
Swimming pools	P	P	P	P	P	P	P
Accessory structures	P	P	P	P	P	P	P
Community facilities	C	C	C	C	C	C	C
Public utility facilities	C	C	C	C	C	C	C
Multifamily (>5 units)					C	C	C
Planned unit development	C	C	C	C	C	C	C
Condominiums					C	C	C
Second dwelling units	C	C	C	C	C	C	C
Community care facilities	MC	MC	MC	MC	MC	MC	MC

P = Permitted use; C = Conditional use permit required; MC = Minor conditional use permit required

The city requires a conditional use permit for multifamily projects with 5 or more units. Both the planning commission and city council must hold public hearings before such projects can be approved. Although this can certainly take longer than the approval process for projects that are permitted uses in their zoning districts, experience in Newark shows that requiring a conditional use permit is not usually a serious constraint. This possible constraint is discussed in more detail under the subsection, *Conditional Use Permits*.

Neither the plan nor the zoning ordinance provides explicitly for emergency shelters. However, the current shelter was approved in an R-1500 zone with a conditional use permit. Additional shelters are possible with either a conditional use permit or as PUDs. Neighbors of such facilities are more likely to be supportive if they know that the facility is subject to a conditional use permit that gives the city some ability to control any problems that might arise. Community care facilities are routinely approved with minor conditional use permits. These permits are approved by staff with optional review by the Planning Commission and City Council.

In addition to restricting uses, the zoning ordinance also establishes the development standards for each district. These standards require minimum lot size; minimum site area per dwelling unit; frontage, depth and width of the site; maximum site area that can be covered by structures; minimum amount of usable open space; minimum front, side, and rear yards; distance between main structures; off-street parking and loading facilities; and minimum landscaped area. The city's standards are summarized in Table 5-33 below.

TABLE 5-33 DEVELOPMENT STANDARDS FOR RESIDENTIAL ZONING DISTRICTS

Standard	Zoning District R-10000	R-8000	R-7000	R-6000	R-2500	R-1500	RH
Minimum lot s.f. - permitted uses	10,000	8,000	7,000	6,000	6,000	6,000 sf	6,000
Minimum lot s.f. - conditional uses****	20,000	16,000	14,000	12,000	12,000	12,000 *	12,000
Required site s.f. per d.u.	1 DU/lot	1 DU/lot	1 DU/lot	1 DU/lot	2500	1500	–
Required frontage (P/C)**	40'/50'	40'/50'	40'/50'	40'/50'	40'/50'	40'/50'	40'/50'
Required depth	<100'	<100'	<100'	<100'	<100'	<100'	<100'
Required width***	80-100'	70-100'	65-100'	60-100'	60-100'	60-100'	60-100'
Max. site covered by structures (P/C)	50/25%	50/25%	50/25%	50/25%	35/30%	40/35%	45/40%
Minimum usable open space	16%	14%	13%	12%	12%	12%	12%
Minimum front yard	25'	25'	20'	20'	20'	20'	20'
Minimum side yard (P/C)	5'/10'	5'/10'	5'/10'	5'/10'	5'/10'	5'/10'	5'/10'
Minimum rear yard*****	15'	15'	15'	15'	10'	10'	10'
Maximum building height	30'	30'	30'	30'	30'	75'	100'
Distance between main structures	N/A	N/A	N/A	N/A	10'	10'	10'
Off-street parking spaces	Regardless of the zoning district, single family dwellings must have 2 off-street parking spaces located in a garage or carport. Multifamily developments must have 1.5 spaces for each studio and one-bedroom unit, and 2 spaces for each unit with two or more bedrooms.						
Minimum landscaped area	25%	25%	25%	25%	25%	25%	25%

* 7,500 square feet for residential uses only.
** The numbers in a row annotated with (P/C) are for permitted/conditional uses.
*** Exact width depends on the nature of the use and whether or not the lot is on a corner.
**** Minimum lot sizes double for conditional uses. See below for second unit exception.
***** The zoning ordinance calls for a 20' minimum rear yard in single-family residential district with reduction to 15' with sufficient open space elsewhere on the lot. Most single-family developments qualify for, and are developed with, the 15' rear yard.

Residential planned unit developments (PUDs) are allowed as a conditional use in all residential zoning districts as long as the site area is at least 20,000 square feet. There are only two requirements for residential PUDs in the zoning ordinance:

- The site development standards shall in the aggregate be at least equivalent to the standards of the zoning district in which the PUD site is located; and
- For sites less than three acres, the average population density per net acre must not be more than that allowed in the zoning district in which the PUD site is located. It may exceed the average population density by not more than ten percent for sites of three or more acres.

As long as these two criteria are met, lower development standards than listed in Table 5-32 could be applied to a residential development through a PUD.

The Newark zoning ordinance also makes provision for second units as conditional uses in low-density residential zoning districts. Second units are allowed only under certain conditions as described below:

- Second units must meet all applicable building code requirements and zoning standards except that the two parking spaces required for a single family dwelling may be uncovered;
- Second units are subject to review by the Planning Commission and City Council;
- Applicants must submit proof from utility providers that all utilities in the area are adequate to serve the second unit;
- Second units cannot be sold but may be rented;
- Second units may be built only on lots that already have a single family detached unit;

- The floor area of the second unit must be between 275 and 360 square feet, depending on the floor area of the primary unit;
- Outside stairways to second-story second units cannot be at the front of the house;
- In low-density residential districts, the lot area must be at least 30% larger than the minimum required for that zoning district to accommodate a second unit;
- Second units are only allowed on lots that are at least 6,000 square feet in area and that meet the minimum site area required for that the zoning district; and
- All conditional use permit applications for second units must go through a public hearing before the City Council.

Requiring two parking spaces, limiting floor area and requiring larger lots in low-density districts may constrain the construction of second units in Newark, but the city is not relying on second unit construction to meet any of its need for affordable housing.

Building Code and Enforcement

Newark has adopted the 1998 California Building Code with only one modification. All buildings over 500 square feet, including single and multifamily residential structures, are required to have fire sprinklers. Also, when additions exceed 25% of floor area or improvements will increase property value by at least 25%, fire sprinklers must be provided.

According to the Fire Department, the cost of adding sprinklers to a single-family house is about $2 per square foot or about $5,000 for a new 2,500 square-foot house. To this is added a charge of $2,000 to $3,000 for water main connections and a meter for a total cost of $7,000 to $8,000. For multifamily units, square footage costs are higher and the connection fees are lower. For a 1,000 square foot unit, the cost would probably be between $4,000 and $5,000 plus connection charges.

Review and Permit Procedures and Fees

Kaufman and Broad, a housing developer with a recent project in Newark, finds Newark "one of the better cities to work in." A representative reports that the city staff is accessible and helpful, the process predictable and clear, and fees no greater than anywhere else.

The most significant reviews/permits that may be required for residential development are preliminary plan review, special civic review, joint staff committee review, conditional use permit, planned unit development, design review, environmental assessment and building permit. Each of these is described below, and the requirements are summarized in Table 5-34.

There is no provision for waiving fees at the staff level for affordable housing projects. However, the council can and has waived fees at its discretion. In the mid-1990s, the council waived fees for several temporary shelters operating out of churches.

TABLE 5-34 REVIEWS AND PERMITS FOR RESIDENTIAL DEVELOPMENT

Review/Permit	When Required	Cost	Time to Process[1]
Preliminary Plan Review	Not required but recommended prior to official application.	$600	2 weeks
Special Civic Review	Projects within SC overlay zoning district.	$100 /$1,500[2]	
Joint Staff Committee Review (JSCR)	New buildings & additions to multifamily structures in MR and HR districts if the number of units is fewer than 5.	$1,200	1-2 months
Conditional Use Permit (CUP)	Uses listed as conditional uses in the zoning ordinance including multifamily projects with 5 or more units.	$2,400	3 months
Planned Unit Development Permit	Not required but used to provide flexibility. Processed concurrently with a CUP.	$3,000	3 months
Design Review	New buildings, additions, major renovations in the MR and HR districts—conducted as part of JSCR or CUP review	none	Concurrent with JSCR or CUP
Environmental Review	Most projects. Review can be simple (negative declaration or mitigated negative declaration) or very complex (full EIR)	Depends on project and impacts	Depends on project and impacts
Building Permit	New exterior construction.	$0.94/ $0.64[3]	2-3 weeks

[1] *Processing time reported here represents the length of time estimated for a large, complex project to move from initial submittal to final action. Smaller, simpler projects would take less time.*
[2] *Cost is $250 for an administrative Special Civic Review and $750 for a review requiring the approval of the City Council.*
[3] *For up to 5 dwelling units, the cost is $0.94 per square foot. For 6 or more dwelling units, the cost is $0.64 per square foot.*

Preliminary Plan Review

A preliminary plan review is an informal, voluntary review to allow prospective applicants to identify issues relating to projects before applying formally. The Economic Development Division coordinates preliminary plan review. Designated reviewers in the Planning, Engineering, Building Inspection, Fire, and Police departments review the plans to identify any problems and provide a list of conditions that would be recommended to the approving body for the project. Although this review process is not required, staff highly recommends it to applicants so that they can identify potential issues or problems with the proposed project prior to making a formal submittal. For residential projects, the cost is $600 and the review takes approximately two weeks. Projects may go through preliminary plan review any number of times prior to the formal submittal.

Joint Staff Committee Review

All new residential buildings, additions and major exterior renovations in medium and high-density districts involving fewer than 5 housing units are subject to joint staff committee review. Exceptions are made for buildings not visible from public roads or adjacent residences, parks or commercial buildings or subject to another type of city review such as a conditional use permit.

The joint staff committee consists of the community development director, the public works director, the fire chief, or their designated alternates. Once the committee has acted on an application, the community development director reports the decision to the Planning Commission

and City Council. These bodies then have the opportunity to either accept the committee's decision or call up the application for review. Public hearings before the Planning Commission and City Council are not required as part of a Joint Staff Committee Review, however, unlike a conditional use permit. The cost for a joint staff committee review for a residential project is $1,200. The review may take up to two months, depending on the size and complexity of the project.

Special Civic Review

Special Civic Review is required for residential development in the Special Civic (SC) Overlay District that includes properties adjacent to public parks and facilities. In a 1998 zoning ordinance amendment, commercial properties were removed from the district. SC review is limited to examination of "the general exterior appearance, design, color and texture of surface materials or exterior construction or the height of the building" and is intended "to assure an orderly development in the vicinity of such public sites and buildings."

New houses or additions to existing houses in the SC overlay district are subject to administrative review conducted by the zoning administrator. The administrative review is then presented to the Planning Commission as an informational item and to the City Council as a "review optional" item. Administrative Special Civic Review takes approximately 2-3 weeks and the cost was recently reduced from $250 to $100. Most parcels in the overlay district are already developed with single family houses and none of the housing sites identified in this element are in the SC district.

Conditional Use Permit

Certain uses are listed in the zoning ordinance as conditional uses. Table 5-32 lists conditional uses in residential districts. Owners need approval from the City Council for a CUP. The council may impose conditions upon the use as part of the approval if necessary to ensure that the use will be compatible with both the purpose and permitted uses of the zoning district. The fee for a conditional use permit is $2,400 and review can take up to 3 months. Joint Staff Committee Review is not required if a CUP is needed for a project.

Any residential development with 5 or more units must have a conditional use permit (CUP) even if the project is proposed for a compatible multiple-family zone. Newark uses this system in order to allow flexibility in design for multiple-family projects and to ensure that new multi-family projects meet city standards for site design and architecture. Conditions include those necessary to comply with CEQA as well as conditions suggested by the police, fire, building, engineering and planning departments. Some typical conditions include the following:

- Limiting hours of construction;
- Requiring staff or commission/council approval of materials and/or colors not already approved as part of the application;
- Prohibiting certain maintenance activities, such as parking lot cleaning, during nighttime hours;
- Requiring roofs to be built with composition shingle and to be of Class C fire resistive construction or better;
- Requiring a trash enclosure with roof and constructed of materials that will match those of the development;
- Requiring a survey for Burrowing Owls prior to construction.

The impact of these conditions on a project application is difficult to judge because many of the conditions would need to be imposed even if a conditional use permit were not used. As a result, it appears that the main impact of the city's conditional use permit requirement is to mandate a higher level of scrutiny by city officials and the public. Newark believes, however, that the CUP requirement for multiple-family projects has little impact on either the time it takes to process an

application or the cost to the developer. Large multifamily projects are typically handled as PUDs that take about the same amount of time to process as CUPs. Since both are required, they are processed concurrently and the required public hearings are held concurrently. Multifamily projects draw public concern and, whether or not hearings are required, the city needs to provide time for public comment on such projects. In addition, environmental review is usually required for such projects and, if an environmental impact report is required, this process dictates the timing of decisions. Newark has a record of processing multifamily projects expeditiously in spite of the conditional use permit requirement. No multifamily housing project has been turned down because of issues raised at a public hearing. On the contrary, the hearings have served well to explain projects to neighbors and reduce opposition.

Additional processing time, even a short time, can entail costs to the developer and requiring a CUP along with a PUD means paying an extra fee. However, these costs are insignificant compared to other costs involved in a development—particularly the cost of land. The eventually price or rent charged for a housing unit is determined by the market and is only loosely related to the costs. In the Bay Area, the demand for housing in the booming economy of the late 1990s far exceeded the supply thereby driving up the price of housing. The increases had little or nothing to do with costs of construction, financing, processing applications or any other cost factors.

The only large multifamily project processed during the 1990s was the 311-unit Sycamore Bay project by Shea Properties. Newark approved this project 6 months after receiving the application. This was longer than usual because of controversy over the environmental assessment. The city initially prepared a negative declaration for the project and was challenged by a resident. The developer decided to prepare a full EIR to avoid possible legal delays. The full EIR was completed and approved within 3 months—a remarkably short period of time under CEQA regulations. Without the requirement of a full EIR a major apartment complex would be approved in about 4 months. Smaller and less complex projects are typically approved in less time.

A representative of Shea Properties states unequivocally that Newark's CUP requirement did not delay the approval of the 311-unit Sycamore Bay project and did not add significantly to the costs. The average time for processing apartment projects like Sycamore Bay is about 6 months and the carrying costs (about $30,000 per month) are figured into the project budget at the beginning (Telecon, 11/13/01).

To ensure that the city's requirement for a CUP for multifamily projects with more than five units is not and does not become a constraint, Program 10 has been added to this housing element. Program 10 commits the city to establish a program to monitor the impact of the CUP requirement on multifamily housing projects. Further, if any adverse effect is found, the city will change its approval process to address the problem.

Planned Unit Development (PUD) Permit

One special type of conditional use applicable to all residential zoning districts is a planned unit development (PUD). PUDs provide flexibility by allowing projects that deviate somewhat from the zoning regulations when the projects comply with the purposes of the zoning ordinance and general plan. To qualify for a PUD, sites must be at least 20,000 square feet in area and the project must be designed to site development standards roughly equivalent to those of the underlying zoning district. The average population density of the project should also be about the same as that of the underlying zoning district. The cost for a PUD application is $3,000 (in addition to the $2,400 fee for a conditional use). The CUP and PUD are processed concurrently so that the time required for a PUD is the same as the 3 months typical of a CUP. Large multifamily projects are typically processed as a PUD.

Design Review

Newark does not have a separate design review process or fee established just for design review. Design review is carried out as part of the Joint Staff Committee Review or CUP review, whichever is required. Resolution 5974 adopted in 1990, sets forth guidelines for the design of various types of projects. The guiding principles of design review in Newark are flexibility and recognition that good architecture does not cost more than poor architecture. In addition to the standards listed in Table 5-29, the following design guidelines apply to medium- and high-density residential projects:

- Provide adequate space for landscaping along project boundaries.
- Use site design and architecture to enhance residential qualities of the neighborhood.
- Use two to three story structures rather than towers, however, tall structures are okay if the project provides landscaped areas and better relationship to adjoining properties.
- Along major thoroughfares, provide wide landscape bands, limit signs and lighting, use compatible architectural style and materials, and screen mechanical equipment and trash enclosures.
- Provide on-site management, common meeting room and recreational facilities for projects of 20 or more units.
- Screen parking along streets with landscaping, enclose trash facilities and minimize exterior lighting.
- Design to provide for security and safety.

These requirements are all expressions of typical good design and do not confront housing developers with significant extra costs. They are not a constraint to the development of multifamily housing.

Environmental Assessment

Under the California Environmental Quality Act (CEQA), most new projects require environmental assessment. The assessment can vary from a reasonably simple initial study and negative declaration to a full environmental impact report depending on the size and complexity of the project, its anticipated impacts, and the level of public controversy. Most housing projects in Newark, both single family and multifamily, are approved with a negative declaration or a mitigated negative declaration. In these cases, the time required is typically no longer than for the other approvals. However, when an environmental impact report is required, the timing of project approval usually depends on how long it takes to complete the environmental review under CEQA. This can take many months if complex environmental issues are involved.

Building Permit

Once a project has been approved and construction is ready to begin, a building permit is needed. Construction plans must be submitted to the Building Department for a review that takes from 2 to 3 weeks. For up to 5 dwelling units, the cost is $0.94 per square foot. For 6 or more dwelling units, the cost is $0.64 per square foot.

Impact Fees

In addition to fees paid for plan review, housing developers are subject to impact fees. The fees provide funding for schools, water system, sewers, parks, and art in public places. For a 2,200 square-foot single-family house, existing fees are $22,650 per unit. For 1,000 square-foot multifamily units, fees are $17,176 per unit. As shown in Table 5-35, by far the largest fees are for schools and water. The water and sewer fees are set by special districts—the Alameda County Water District and the Union Sanitary District. The water fee for multifamily units is somewhat higher than for single family because of the need for separate water meters for landscape watering in apartment complexes.

TABLE 5-35 NEWARK'S PER UNIT IMPACT FEES, AUGUST 2000

	Single Family	Multifamily
School	$8,404	$3,120
Water	$8,360	$8,890
Sewer	$2,618	$2,618
Park-in Lieu	$2,998	$2,278
Capital Facilities	$3,900	$3,613
Art in Public Places	$270	$270
Total	$26,550	$20,789

Source: Economic & Planning Systems, Inc., August 2000, *Newark Development Impact Fee Study.*

Based on a study of impact fees by Economic & Planning Systems, Inc., Newark recently added the capital facilities fee to address community needs. The fee includes fees for public safety, community services and facilities and transportation. An affordable housing impact fee to be applied to commercial and industrial development is also under consideration.

Fees for residential development in Newark are not unusually high or low compared to other East Bay cities. Table 5-36 compares Newark's fees with those of other nearby cities for single family and multifamily development. Alameda, Hayward and Milpitas have significantly lower fees and the other four cities all have significantly higher fees.

TABLE 5-36 IMPACT FEES IN NEWARK AND NEARBY CITIES

	Single Family	Multifamily
Newark	$26,550	$20,789
Alameda	$15,431	$ 7,831
Fremont	$32,194	$26,696
Hayward	$14,710	$11,007
Livermore	$41,414	$33,025
Union City	$30,237	$25,258
Pleasanton	$36,994	$23,745
Milpitas	$15,398	$12,580

Source: Economic & Planning Systems, Inc., August 2000, *Newark Development Impact Fee Study.*

NONGOVERNMENTAL CONSTRAINTS

In Newark, as in much of the rest of the Bay Area, the most significant constraint to providing sites for affordable housing is that available land suitable for residential development is running out. To a large degree, the lack of available land is not within the control of the city. Some land can be rezoned; some can be redeveloped, but the net result will be insufficient to meet the needs for affordable housing over the long term.

Newark also shares with the rest of the Bay Area the impacts of skyrocketing increases in real estate prices. Housing prices are rising much faster than incomes and affordable housing seems an impossible dream when real estate prices are increasing 30 or more percent per year. Other possible non-governmental constraints to the provision of affordable housing are availability of financing, price of land and costs of construction.

Availability of Financing

Financing for home construction, purchase or repair is available on equitable terms from private lenders for all parts of Newark. There is no evidence of any redlining. A representative from Kaufman & Broad, a major housing developer that recently built homes in Newark, indicates that financing was not a problem. As a public company, they do not often need to use private financing,

but have an ongoing relationship with a bank when they need it. As long as entitlements are in place, it is not hard to find financing. In his opinion, Newark moves quickly and is clear and definite about what it is looking for, thus, making the process of getting entitlements easier than in many cities.

Price of Land

Land costs are rising in Newark as the amount of vacant and developable land decreases and as part of the overall escalation in real estate values over the last few years. However, land costs in Newark are not greater than in other areas of the county or region. In a December 22, 2000 memo, Economic and Planning Systems, Inc. lists the land costs for 3 residential sites purchased in 1999 and 2000:

- $732,145 per acre for a 28 acre parcel zoned for 110 single-family homes
- $529,980 per acre for a 0.69 acre parcel zoned for 10 apartment units
- $761,033 per acre for a 0.66 acre parcel zoned for 12 condominiums

Cost of Construction

Construction costs continue to go up, sensitive to changes in the costs of materials, labor and financing. However, these costs in Newark are no higher than in other areas of Alameda County or the Bay Area. For a single-family home, hard costs run approximately $48 to $60 per square foot. This range does not include financing, fees, design, or site improvements. These figures are no higher than elsewhere in the region.

Constraints to Housing for Persons with Disabilities

California state law was amended in 2001 through SB 520 to require local housing elements adopted after January 1, 2002 to analyze the "potential and actual governmental constraints upon the maintenance, improvement, or development of housing . . . for persons with disabilities . . ." as well as for persons of all income levels. The law further requires cities to address and remove these constraints, where possible. Program 9 of this element sets forth Newark's plan for analyzing, addressing and removing these constraints in compliance with state law.

5.6 EVALUATION OF THE 1990 HOUSING ELEMENT

Since adoption of the1990 housing element, Newark has made substantial progress. Of the 21 programs listed, 14 have been totally or partially implemented. Among the successes are participation in housing programs administered by Alameda County—Mortgage Credit Certificates, Rehabilitation Loan Program, and Section 8 rental housing subsidies. In all these, Newark's participation met or exceeded expectations. The city also added 50 units to Newark Gardens, a Section 8 senior housing project and doubled the size of the emergency shelter from 15 to 30 beds.

The city's program to redesignate land for residential development has been generally successful. The three industrial sites listed in Table 22 in the 1990 element have been redesignated for residential uses in the general plan. After several years for toxic cleanup, the A.O. Smith site was developed with 311 apartments. Housing is being planned for the site at the end of Wells Avenue, listed as #15 on the current site inventory. Planning for Area 4 is still underway, but approximately 1,000 housing units will be included in the final plan. Carter Station, a project not anticipated in 1990, mixes small lot, single family residences with commercial development along Thornton Avenue on an underused commercial site near the A.O. Smith property.

Five additional commercial sites were listed in Table 25 of the previous element. The Lido Faire shopping mall was renovated around a new Asian market, however, another older shopping mall, Purity Plaza, is being redeveloped with 33 single-family houses. Nothing has happened on the two sites near Filbert and Wells and these sites are included in the current inventory as two of the Old Town infill sites.

A major disappointment has been the lack of activity in Old Town in response to the density bonus granted there. The city's density bonus for this area is in addition to the 25 percent density bonus mandated by the state for certain affordable housing projects. The city's bonus is intended, among other things, to encourage lot consolidations and bigger multifamily projects. The city is finding considerable interest among property owners in developing duplexes and triplexes on lots currently developed for single family homes. However, the city would prefer that properties be combined to create larger complexes and is encouraging owners to move in this direction. Larger complexes allow on-site, professional management and amenities not usually provided in smaller developments. Lot consolidations take time to accomplish, but the current housing market provides ideal conditions and the city expects significant redevelopment in Old Town in the future. The city will take a new look at the density bonus provisions to be sure they provide sufficient incentive.

The city has not adopted mixed-use zoning as proposed in the Historic Newark Area Plan approved in the early 1990s. Additional studies are now being done to define more exactly the kinds of mixes that would be acceptable. Carter Station is a likely model. This successful mixed-use project includes a commercial center on Thornton Avenue and zero-lot line houses behind. It avoids commercial and residential uses in the same building.

The most intractable problem in implementing the 1990 Housing Element was providing housing for low- and very low-income households. Most of the new housing units provided by the private market would not be affordable to very low- and low-income households. Except for the apartment complex on the A.O. Smith property, all the market housing produced during the 1990s was single family—some at lower densities than permitted. The result has been to improve the mix of housing in the city by adding some in the higher price brackets. The challenge in this housing element update is to find ways to both improve housing in the community and increase the supply of affordable housing. The new programs are intended to accomplish this. Table 5-37 summarizes progress in implementing all the programs in the 1990 element.

TABLE 5-37 EVALUATION OF 1990 HOUSING ELEMENT

Programs and Quantified Objectives	Progress to 2000
Program 1: Using the planned unit development designation to ensure good overall project quality, allow smaller lots, smaller setbacks, reduced parking, and other relief from development standards in order to encourage provision of lower cost housing.	Out of nine residential developments involving more than 10 units that were approved and/or built in the 1990s, eight were approved as PUDs and took advantage of some of the flexibility offered by this type of development.
Quantified Objective: Most large residential projects will be handled under the PUD regulations, perhaps 500 units between 1990 and 1995. A PUD for the 336-unit apartment project on the A.O. Smith site has already been approved.	A total of 530 units were built during the 1990s, and an additional 172 units were approved and are currently under construction. The objective for 1990 to 1995 was met, but it took the entire decade to do so.
Program 2: To encourage reuse and rehabilitation of older residential areas in Historic Newark, the city will adopt a density bonus system which provides incentives for a developer to assemble parcels for larger-scale residential projects. . . The city expects the density bonus provisions will spur private . . . development	This density bonus system was adopted in the first phase of a zoning ordinance update project, completed in September 1998. The system has not yet been used, and may be revisited during phase two of the zoning ordinance update project in fiscal year 2001-2002.
Quantified Objective: The city expects that 50 to 100 bonus units will be created between 1990 and 1995.	No units have yet been provided pursuant to the density bonus system.
Program 3: As required by state law, provide a 25 percent density bonus and an additional incentive, or financially equivalent incentive(s), to a developer agreeing to construct at least 20 percent of the units for lower-income households, or 10 percent of the units for very low-income households, or 50 percent of the units for senior housing.	Although Newark has been aware of this bonus and willing to provide it to developers, the affordable housing density bonus has not yet been incorporated into the city's zoning ordinance. It will be included in the zoning ordinance update work that is scheduled for fiscal year 2001-2002.
Quantified Objective: Developers might qualify for 20 to 40 bonus units for senior housing. The city does not expect most developers of the remaining residential lands to qualify for or request this bonus.	Housing developers have shown no interest in this affordable housing bonus, and no units have been constructed as a result of this bonus.
Program 4: Continue to permit manufactured housing, as a conditional use, in all residential zones in the city.	The City now allows manufactured housing in all residential zones with joint staff committee review. A conditional use permit is not required.
Quantified Objective: Construction of 19 units in a project currently under construction.	These 19 units were constructed.
Program 5: Review policies and procedures concerning development exactions and make changes as needed to be certain that these costs are not a barrier to the provision of affordable housing.	Newark recently updated its impact fees. The City Council may waive most fees and did so several times during the mid-1990s for temporary shelters operated by churches. The existing Art in Public Places and Private Development fees do not apply to affordable housing projects.

TABLE 5-37 EVALUATION OF 1990 HOUSING ELEMENT, CONTINUED

Programs and Quantified Objectives	Progress to 2000
Program 6: Continue using the design review process and applying design standards. Evaluate and revise the system as needed based on experience.	During the 1990s, design review was carried out per Resolution #5974 adopted in February 1990.
Program 7: Continue to participate in the Alameda County program to use state bond funds for mortgage credit certificates to help low and moderate income families purchase first homes. Since August 1989, 14 certificates have been issued to purchase homes in Newark.	Started in 1989, the Mortgage Credit Certificate Program is still in operation and Newark continues to participate.
Quantified Objective: Issuance of 14 certificates per year, or 70 by 1995. This level of activity is contingent on continued federal and state funding.	In the 11 years that this program has been in place, approximately 160 certificates have been issued for Newark for an average of over 14 certificates per year.
Program 8: Donate city-owned land adjacent to the Satellite Senior Housing project to allow a 50-unit expansion of Newark Gardens. All 50 units would be affordable to low and very low-income seniors.	The city donated $200,000 to Satellite Senior Housing in order to ensure that the expansion would include a multi-purpose room that would be available to all seniors in the city.
Quantified Objective: Construction of 50 units affordable to low-income senior citizens.	These 50 units have been constructed.
Program 9: Seek nonprofit developers to build senior housing on one or more of the other six sites identified as appropriate in Tables 5-24 and 5-25.	No nonprofit developer has sought to build affordable senior housing in Newark.
Quantified Objective: Approval of one additional project, probably at the Lido Faire site, with 75 to 150 units, not including possible bonus units (Program 4).	No additional senior housing projects were proposed or approved in Newark during the 1990s.
Program 10: Continue to enforce all federal, state and local regulations regarding accessibility for the handicapped in multifamily projects.	These regulations are enforced through the city's plan review and permitting process.
Program 11: Continue to permit group homes designed for handicapped persons to live independently in all residential zones.	In the early 1990s, the city adopted new regulations allowing community-care facilities in all residential zones as a permitted or conditional use, depending on the size of the home.
Quantified Objective: Approval of 1 group home for 6 to 10 handicapped persons.	The city did not receive any applications for group homes in the 1990s.
Program 12: Support the use of available State and Federal funds for group homes and transitional housing to help mentally and physically disabled people to live independently. Continue to support the use of Section 8 rent supplements by residents of Newark Gardens.	There were no applications for group homes in the 1990s; however, from June 1990 to June 2000, the number of tenant households participating in the Section 8 Program increased from 148 to 193. Also, all 200 units at Newark Gardens are in the Section 8 Program.

TABLE 5-37 EVALUATION OF 1990 HOUSING ELEMENT, CONTINUED

Programs and Quantified Objectives	Progress to 2000
Program 13: Expand the Second Chance emergency shelter for the homeless from 15 to 30 beds. This project is now nearing completion.	The Second Chance emergency shelter expansion was completed.
Quantified Objective: 15 new emergency shelter beds.	15 emergency shelter beds were added.
Program 14: Adopt a mixed-use commercial zone as part of the zoning ordinance to establish the conditions under which housing may be incorporated into commercial areas. The zone will initially be applied to the Thornton Avenue business district in Historic Newark to encourage housing in upper stories of commercial buildings and behind commercial storefronts. The city expects small units affordable to those with moderate or lower incomes.	The mixed-use commercial zone has not been adopted. However, a property in Historic Newark that was zoned for commercial use was rezoned to include both a commercial development and a zero lot-line residential development. Several studies of the Historic Newark area have been completed including recommendations for a possible mixed-use zone.
Quantified Objective: All sites will be available; perhaps 5 to 10 units will be constructed.	No units have been constructed.
Program 15: Provide for residential use as an option on all or part of selected commercial parcels including the Lido Faire shopping center site and Purity Plaza.	The General Plan was amended to provide for residential use as an option on these parcels.
Quantified Objective: Construction of 75 to 150 units of senior housing on 4 or 5 acres of the Lido Faire site.	The residential option was not exercised for the Lido Faire site. Thirty-three single-family residences have been approved for the Purity Plaza site.
Program 16: Redesignate industrial land to residential and open space land uses and initiate rezoning of the three industrial sites listed in Table 22. Redesignate and rezone for residential uses other industrial and commercial sites listed in Table 25.	The three properties listed in Table 22 and the first four properties listed in Table 25 were all changed to residential uses in the General Plan. Zoning was changed for the A.O.Smith site where a 311-unit apartment complex was constructed. Owners of the other two sites in Table 22 have inquired about residential developments. Site 5 in Historic Newark, the mixed use district, has not yet been zoned (see Program 14). General plan density was increased For Site 6 in Historic Newark. The 29-acre site at Cedar and Central has a residential overlay in the general plan and is now being developed for 113 single-family houses. Twelve homes are being built on a 2-acre rezoned site at Thornton and Willow.
Quantified Objective: Redesignation of at least 75 acres with potential housing capacity of 2,014 to 2,116 units.	80 acres listed in Tables 22 and 25 are now designated for residential use in the general plan, 15 acres have an overlay permitting housing, and 31 acres were rezoned from industrial to residential. In all, 424 housing units were approved or constructed on these sites.

TABLE 5-37 EVALUATION OF 1990 HOUSING ELEMENT, CONTINUED

Programs and Quantified Objectives	Progress to 2000
Program 17: Rezone areas designated in the Historic Newark Area plan for higher density residential uses and adopt density bonus provisions (see Program 3) to encourage large, high density projects.	Several studies of the area have been completed, and rezoning is anticipated to occur in 2001 or 2002. See comment on Program 3 for information on the density bonus provision.
Quantified Objective: An increase in capacity of 187 units, exclusive of bonus units permitted under Program 3.	Because the rezoning has not taken place, the capacity has not increased and no units have been constructed.
Program 18: Continue to participate in the Alameda County housing rehab program funded with Community Development Block Grant Funds. The highest number of loans in recent years was 6 loans in 1984-85.	Newark still participates in the county Rehabilitation Loan Program. This program was modified in 1992 to become more comprehensive.
Quantified Objective: Encourage Alameda County to obtain approval of 5 rehab loans per year or 25 in the five years.	Since 1992, the county has approved an average of 4.9 loans per year, despite the fact that the program has changed and now provides fewer, larger loans than in 1992.
Program 19: Continue to participate in the "mini loan" and "minor home repair" programs administered by Alameda County. Alameda County's 1990-1991 program budgets four $3,000 mini loans and twenty $500 minor home repair loans in Newark.	The mini loan program has been folded into the Rehabilitation Loan Program. Newark still participates in the Minor Home Repair Grant Program. The dollar limit on these grants has increased to $1000, and fewer grants are being provided through this program than formerly.
Quantified Objective: Continuation of 1990-1991 rates for a total of 20 mini loans and 100 minor home repair loans.	Since 1995, the county has provided an average of 19 grants per year to Newark residents despite changes in the program.
Program 20: Continue to require efficient energy design and construction of all new residential projects and major rehabilitation projects.	The Building Department continues to enforce state energy conservation requirements as part of its plan review and permitting processes.
Program 21: Work with ECHO Housing Services to address identified problems of discrimination in the housing market in Newark. Use ECHO's services to handle complaints and provide counseling. Also work with ECHO Housing Services to provide information and counseling to resolve tenant-landlord disputes.	Newark has continued to refer residents to ECHO for help with discrimination problems, complaints, and other general problems, as well as tenant-landlord disputes. Newark has also initiated a tenant/landlord training program to educate each about responsibilities.

5.7 GOALS AND POLICIES

GOAL 1: PRESERVE AND ENHANCE THE QUALITY OF NEWARK'S RESIDENTIAL NEIGHBORHOODS.

Policy 1a: Through the design review process, consistently apply high standards of design to both multifamily and single family projects.

Policy 1b: Increase participation in the Alameda County housing rehabilitation program funded with Community Development Block Grant Funds.

Policy 1c: Develop a housing conservation and rehabilitation program to address the worsening condition of many of the city's multifamily units. (Program 1)

Policy 1d: Require efficient energy design and construction of all new residential projects and major rehabilitation projects.

GOAL 2: PROVIDE HOUSING OPPORTUNITIES FOR HOUSEHOLDS WITH A WIDE RANGE OF INCOMES.

Policy 2a: Continue to seek a developer for Area 4 to provide high-end housing associated with a new golf course to expand the range of housing options available in the community.

Policy 2b: Use the planned unit development designation to ensure good overall project quality. Continue to allow relief from development standards to encourage provision of lower cost housing.

Policy 2c: Develop an inclusionary housing program to ensure that affordable housing is included in new housing projects. (Program 2)

Policy 3d: Set aside sites and seek a nonprofit developer to build housing designed for and affordable to Newark's elderly residents and/or low-income families. (Programs 3, 8)

Policy 2e: As part of studies prior to rezoning for general plan consistency, review, and modify if needed, the density bonus provisions that now apply to parts of Old Town to encourage lot assembly for larger, high density projects.

Policy 2f: As required by state law, provide a 25 percent density bonus and an additional incentive, or financially equivalent incentive(s), to a developer agreeing to construct at least 20 percent of the units for lower-income households, or 10 percent of the units for very low-income households, or 50 percent of the units for senior housing.

Policy 2g: Continue to participate in Section 8 rent subsidy programs administered by Alameda County and develop a local version of the program to provide more housing for low and very low income households. Participate in the ECHO rental assistance program to provide short-term help with security deposits and rent delinquencies. (Program 4)

Policy 2h: Continue to permit manufactured housing in all residential zones in the city with administrative design review.

Policy 2i: Participate in the Alameda County mortgage credit certificate program to help first-time homebuyers qualify for mortgages. Consider forming a down payment assistance program to further help low- and moderate-income people, particularly new teachers,

public safety officers and health care workers in Newark, purchase their first homes. (Program 5)

GOAL 3: PROVIDE HOUSING OPPORTUNITIES FOR RESIDENTS WITH SPECIAL NEEDS

Policy 3a: Continue to enforce all federal, state and local regulations regarding accessibility for the handicapped in multifamily projects.

Policy 3b: Continue to permit group homes designed for handicapped persons to live independently in all residential zones.

Policy 3c: Continue to support the Second Chance emergency shelter. (Program 6)

Policy 3d: Support the use of available State and Federal funds for community care facilities to help mentally and physically disabled people to live independently.

GOAL 4: SEEK TO BALANCE HOUSING AND JOB GROWTH IN NEWARK

Policy 4a: Redesignate for residential use all or part of selected commercial and industrial parcels. (Programs 7 and 8)

Policy 4b: Consider an affordable housing impact fee applying to new industrial and commercial construction and major additions to commercial and industrial facilities.

GOAL 5: ENSURE A CHOICE OF HOUSING TYPES AND LOCATIONS TO ALL PERSONS REGARDLESS OF RACE, SEX, CULTURAL ORIGIN, AGE, MARITAL STATUS, PHYSICAL HANDICAPS, OR FAMILY COMPOSITION

Policy 5a: Cooperate with ECHO Housing Services to address identified problems of discrimination in the housing market in Newark and to help resolve tenant-landlord disputes.

Policy 5b: Continue and expand the training program operated by the community preservation officers in the Police Department to educate tenants, landlords, and apartment managers about their responsibilities.

5.8 PROGRAMS AND QUANTIFIED OBJECTIVES

The goals and policies are statements generally describing the approaches Newark will take to meet housing needs in the city. Many refer to ongoing programs that will continue, but several indicate new initiatives the city is prepared to take to help alleviate the lack of affordable housing in the region and city. These initiatives include: adopting a program to rehabilitate multifamily housing, adopting an inclusionary housing ordinance, designating sites for affordable senior or family housing, developing a local rent subsidy program, assisting first-time home buyers, expanding shelter capacity, rezoning commercial and industrial sites for residential uses, and redeveloping Site #55. These programs are described below with current status, timing and expected results listed for each.

Program 1. Multifamily Housing Conservation and Rehabilitation

Preliminary analysis reveals that up to 60 percent or over 1,600 of Newark's 2,757 multifamily housing units are in need of rehabilitation. About 400, probably need major rehabilitation and 1,200 minor rehabilitation. A concerted effort to address even the minor current code violations could avert major deterioration over time and a loss of significant numbers of affordable housing units.

The first step is to identify apartment buildings in need of rehabilitation and define the exact needs. The city will seek funds in early 2002, if available, from HCD's Community Code Enforcement Pilot Program/Code Enforcement Incentive Program for a three-year program to identify and abate building code violations. Money from CDBG funds, in lieu fees or other city funds could also be used for the evaluation. Once the rehabilitation needs have been clearly identified and prioritized, the city will apply to the HOME Multifamily Housing Program administered by Alameda County for funds to help owners make needed improvements in return for an agreement to keep a specified number of units affordable. The city may also apply for CDBG funds to help with smaller rehabilitation projects. Simply by helping apartment owners with maintenance and repair costs, such a program can help conserve the affordability of housing.

Status. Newark has been participating in the Alameda County Rehabilitation Loan program and operating a code enforcement effort focusing on single-family homes and activated primarily by complaints. However, the problem appears larger than expected, especially in older apartment buildings, and a coordinated approach is needed to protect both housing quality and affordability. The city is prepared to go the next step in identifying specific apartment buildings needing rehabilitation. Newark will apply to participate in the three-year Community Code Enforcement Pilot Program /Code Enforcement Incentive Program if the legislature funds this program. Actions after that will depend on what is found and the availability of funds for a rehabilitation program.

Timing. The city will apply for code enforcement funds from HCD in early 2002 if the legislature provides funding to retain the program and a NOFA is issued. If this program is discontinued, Newark will explore other sources of funds and consider allocating part of its CDBG funds for this purpose. The goal is to apply for multifamily rehabilitation funds in 2003. .

Expect Results—1999-2006. It is difficult to estimate the results because the extent of the problem and the resources to address it are not known. Preliminary estimates are that 75 percent of the 1,600 multifamily units need minor rehabilitation and 25 percent major rehabilitation. Perhaps 100 units a year can be done--75 units with minor problems and 25 with major problems. From 2003 to 2006, that would come to 300 units rehabilitated. The aim would be to conserve the affordability of all 300 units.

Program 2. Inclusionary Housing

The need for some form of inclusionary housing program is clear. The market is no longer providing housing affordable to low- and very low-income households and the city has limited means to provide sites for housing to meet the needs. The inclusionary program should apply to new single-family and multifamily housing projects.

All housing projects above a specified size should include at least 10-20 percent affordable housing. Developers should be encouraged to provide the affordable housing in their projects, but for fractional units and cases when providing the housing is not feasible, an in lieu fee would be collected to be used for affordable housing efforts elsewhere in the community. A density bonus could be granted as an incentive for developers to provide the affordable housing. Newark will provide sufficient incentives to mitigate potential negative impacts on the cost and supply of the market-rate housing supply.

Status. Newark is now studying inclusionary housing requirements and assessing the impacts of an inclusionary housing requirement on housing production. The study will provide recommendations on the size project that would trigger an inclusionary requirement, the percent requirement, in lieu fee calculation, density bonus provisions and other parameters of the program.

Timing. The study will be completed by early 2002 and an ordinance adopted in 2002.

Expected Results--1999 to 2006. If housing is produced at the rate of 179 units per year as allocated by ABAG and approximately 85 percent of the units are in projects that meet the threshold for an inclusionary requirement, about 150 units per year would be subject to the requirement. At a 10 percent inclusionary rate, the city would add 15 affordable units per year; at 20 percent, 30 units per year. For the 5 years from 2002 to 2006, the program could produce between 75 and 150 units. If they were divided evenly by income category, there would be between 25-50 units available to households in each of the three categories.

Program 3. Sites for Senior Housing

Newark needs additional housing for low- and very low-income seniors. The inclusionary program will help, but falls short of meeting the need for low- and very low-income households, particularly those headed by seniors. In January 2001, there was at least a four-year waiting period for admission to Newark Gardens and the waiting list is closed. The city owns several parcels (#48, for example) near city hall that might be combined with a private parcel for a site.

Newark will apply for state and federal funds to acquire one or more sites for affordable housing and then seek a non-profit housing developer, such as Eden Housing or Bridge, to design and build affordable housing. Failing this, the city can provide an overlay zone permitting higher density development for projects that provide substantial amounts of affordable housing.

Status. Newark is just starting to look at the need to directly provide or designate sites for affordable housing.

Timing. The objective is to have acquired or designated at least one site by the end of 2002.

Expected Results—1999-2006. If a site is obtained as planned and a non-profit housing developer found, senior housing could be completed by 2006. Assuming a one-acre site is acquired, 30 units could be constructed—say 15 for very low-income and 15 for low-income households.

Program 4. Local Rent Subsidies

Newark has been one of the few cities with rents low enough to use the Section 8 rental subsidy program. However, the city's rents are increasing rapidly, threatening the use of Section 8 certificates and vouchers. To counteract this, Newark is considering a local rent subsidy program. Patterned after Section 8, this program would not provide new units, but would help convert existing units to affordable ones. The city could use in lieu fees from the inclusionary housing program, HOME funds, CDBG money and funds from other state and federal housing programs to finance a local "section 8-type" program. Newark will also evaluate participating in the ECHO rental assistance program that provides short-term help with security deposits and rent delinquency.

One way the program might work is for the city to contract with apartment owners to provide a specified number of units at subsidized rents to qualified households. The city would compensate the owner for all or part of the difference between the rent charged and the market rent. Newark could frame a program that would add to the Section 8 amount to increase the number of units in the program that could be rented by very low-income households. Priority for assistance might be given to public safety officers, health workers and teachers joining the city or school district. This could be an effective way to convert market rate housing to affordable housing in a situation where new housing is likely to be out of reach for low- and very low-income households.

Status. This program is an idea at this time. Newark will evaluate the potential benefits, costs, sources of funding and administrative burden of such a program.

Timing. An evaluation will be completed by the end of 2002. If the program is deemed feasible and funding is obtained, it could start as early as 2003.

Expected Results—1999-2006. In April 2000, 193 Newark households received Section 8 certificates or vouchers. The program could add another 50 households for a total of about 240—all with low and very low incomes for the years 2003 to 2006.

Program 5. Home Ownership Assistance

The analysis finds that the community relies on many people for services, such as public safety officers, teachers and health industry workers, who have entry level incomes that make it difficult for them to find housing in Newark. To address this particular problem as well as the general need for affordable homes, Newark participates in the Alameda County mortgage credit certificate program to help people purchase their first homes. The city look into providing down payment assistance using funds from the in lieu housing fee, HOME program, CalHome and other sources to make sure that public safety officers, teachers, health workers and others who work in Newark have the chance to live in the city.

Status. Mortgage credit certificates are currently issued in Newark at an average of 14 per year. The city has not studied the options for down payment assistance.

Timing. Newark will study the possibility of down payment assistance in 2002. If the study indicates a program is needed and feasible, the city will apply in 2003 for HOME funds from Alameda County under the First-Time Buyer Assistance program. In lieu funds or other city funds will be used to supplement the HOME funds

Expected Results—1999-2006. For 1999 and 2000, a total of 28 mortgage credit certificates will be used to purchase property in Newark. In the five years 2001 to 2006, mortgage credit certificates will increase to 20 per year for a total of 128 from 1999 to 2006. Down payment assistance could help 20 families a year in 2003, 2004, 2005, and 2006, allowing another 80 moderate or low income households to buy homes in Newark. Total households assisted would be 208—most of them with moderate incomes.

Program 6. Shelter Capacity Increases

The analysis indicates a possible need for additional shelter space in Newark to meet regional needs. Newark will work with the current shelter provider, Second Chance, to explore capacity increases. The first step is for the appropriate city staff to meet with Second Chance and the Tri-Cities Homeless Coalition to develop a scope of work for a more detailed assessment of specific local needs and conduct the assessment. If the study indicates a genuine need, the city will join with Second Chance or another provider in applying for a grant from the HCD Emergency Housing Assistance Program for funds for site acquisition and construction of a new facility and/or expansion of the existing shelter.

Status. No plan exists at this time to expand the shelter.

Timing. An assessment of local need could be completed by mid-2003 and, if need is demonstrated and funding is acquired, new capacity could be on line by 2004.

Expected Results—1999-2006. If studies show a need and funding is received an additional 10 to 20 shelter beds could be available by the end of 2004.

Program 7. Land Use Changes

The most significant way Newark can address the coming imbalance in the number of jobs and number of housing units in the community is by converting land from commercial and industrial uses to housing. Newark has 17 sites with 10.5 acres currently planned, but not zoned, for housing (Sites #13, 19, 20, 21, 22, 23, 25, 31, 32, 33, 35, 37, 38, 39, 43, 44, and 48). Nine of the sites are vacant and eight have strong potential for reuse. All are already designated for housing in the general plan and can accommodate 195 housing units at their general plan densities. The city will evaluate the potential for higher than planned densities on some sites. The sites will be rezoned for housing by the end of 2003.

The site inventory also identifies 2 sites with a total of 6.3 acres that are planned and zoned for commercial or industrial uses, but could be used for housing (Sites #14 and 45). Site #14 has 5.73 vacant acres and, if developed at high density, could accommodate 166 units. Newark will study the impact of adjacent uses on this site before redesignating it for housing. Site #45, about _ acre, has potential for reuse at low density yielding 4 units. This site will be rezoned.

Site #49, the former school maintenance yard, is currently zoned for housing but designated for public use in the general plan. This site will be redesignated in the general plan. At low density, it could accommodate 55 housing units.

Status. A general plan/zoning consistency study was completed in 1998. The city will evaluate rezoning of Site #14 and initiate a general plan amendment to redesignate the other commercial parcel and the public parcel. It will then initiate rezoning of the parcels now designated for residential use in the general plan and the small commercial parcel by the end of 2003.

Timing. The city will begin the general plan amendments in early 2002 and expects to rezone the parcels with the exception of Site #14 by the end of 2003. Site #14 will be studied and, if found suitable, will be redesignated and rezoned by the end of the planning period.

Expected Results—1999-2006. The changes in land use will immediately provide sites available for 320 housing units and by the end of the 2006, another 166 housing units. Perhaps 200 of these will be developed by 2006 and with the inclusionary provisions in place and other incentives, about 50 of the units will be affordable to moderate income households, 10 units to low-income households and 10 units to very-low income households.

Program 8. Reuse of Site #55

Newark will seek the reuse of site #55–a 24-acre area now in light industrial uses located between the 880 freeway and Cedar Boulevard. To achieve the reuse of this site for housing, Newark will take the following actions:

- Reapply for an HCD Downtown Rebound Grant on January 2, 2002 for strategic planning for reuse of the site, involving the property owners and tenants in the process.

- Prepare and adopt a specific plan for the site, aided by the HCD grant if received. If the grant is not received, the city will work with the property owners to develop a specific plan. The plan will make provision for high-density housing and specify the steps needed to accomplish the conversion, including land assembly, relocation of current uses, and clean up as needed.

- Seek and work with a housing developer to develop the site according to the plan.

Status. Newark has initiated conversations with the owners and applied for an HCD Downtown Rebound Grant in 2001. Although the city did not receive a grant, it will reapply in 2002. Once the housing element is adopted and certified, the city intends to move ahead quickly on this project.

Timing. The city expects to complete planning for reuse of the site by the end of 2003 and will rezone the site to R-1500 by 2004. The project should be built and occupied before the end of 2006.

Expected Results—1999-2006. If economic conditions remain favorable for housing development, by 2006, the city expects to add 694 new housing units to the housing supply. Of these, at least 70 will be affordable to very low-, low- and moderate-income households.

Program 9. Analyze, Address and Remove Constraints to Housing for Persons with Disabilities

In compliance with the amendments to housing element law made by SB 520, the City of Newark will analyze the "potential and actual governmental constraints upon the maintenance, improvement, or development of housing . . . for persons with disabilities." In particular, the city will be looking for constraints in the zoning code and permitting process. Newark will also address and remove these constraints when possible.

Status. Newark has obtained information about the requirements for this analysis and is prepared to begin work.

Timing. The city expects to begin work on this analysis by early 2003 and complete the work by the end of 2003. Newark will take action to address and, when possible, remove any identified constraints by early 2004.

Expected Results—1999-2006. The removal of any identified governmental constraints in early 2004 may help to increase housing opportunities for persons with disabilities during this time period. The level of increase will depend on the significance of any existing governmental constraints and the economic climate for residential development.

Program 10. Monitor and Address Impacts of Requiring a CUP for Multifamily Projects

To ensure that Newark's requirement for a Conditional Use Permit for all multifamily projects with more than 5 units is not a constraint on the provision of housing, the city will establish an ongoing monitoring program. The city will gather information on new applications for large multifamily projects and analyze it to determine whether the CUP requirement is acting as a constraint. Specifically, the city will consider processing times, added developer costs, and additional design

requirements due to the requirement as part of its analysis. If the requirement is constraining the provision of multifamily housing, Newark will promptly change its approval process to address the problem.

Status. Newark is prepared to begin implementing this program immediately.

Timing. The city will begin monitoring the impacts of the CUP requirement on multifamily project applications in the second part of 2002 and continue this program throughout the planning period. If an adverse effect is found, the city will promptly address the problem by changing its approval process.

Expected Results—1999-2006. By monitoring the effects of the CUP requirement on multifamily project applications and changing its approval process if needed, this program will ensure that the production of multifamily housing is not constrained by the requirement.

QUANTIFIED OBJECTIVES

Newark's objectives are to provide sites for 1,250 housing units from 1999 to 2006 as allocated by ABAG in addition to replacing approximately 5 units that may be demolished because of deteriorated condition. Most of these sites are currently available in Area 4 with a potential development of 1,000, 12 sites planned and zoned for housing with a potential for 208 units and sites already planned but not zoned for housing with a potential for 195 units. The total potential of these currently available sites is 1,403 units. Additional sites with a total potential for 919 units will be provided through land use changes (Programs 7 and 8).

ABAG further allocates the 1,250 units by income category as shown:

Income Category	# Units
Very Low	205
Low	111
Moderate	347
Above Moderate	587
Total Units	1,250

Development of Area 4 and other projects now in the planning stages will provide the above moderate-income units. The housing programs contained in this element are expected to provide sites for the moderate, low- and very low-income housing units as shown in Table 5-38.

TABLE 5-38 QUANTIFIED OBJECTIVES BY PROGRAM

	Very Low	Low	Moderate
Program 2. Inclusionary Housing	25-50	25-50	25-50
Program 3. Affordable Housing Sites	15	15	
Program 4. Local Rent Subsidies	140	100	
Program 5. Home Ownership Asst.		20	188
Program 7. Land Use Changes	5	5	65
Program 8. Reuse Site #55	5	5	60
Total	190-215	170-195	338-363

In addition, Program 1 combined with existing efforts is expected to result in the conservation of 249 housing units and the major rehabilitation of 51. Most of the single-family projects would continue to be available to moderate-income households. The multifamily projects would be evenly

split between units available to very low and low-income households. In summary, the quantified objectives are show in Table 5-39.

TABLE 5-39 SUMMARY OF QUANTIFIED OBJECTIVES

Income Level	New Construction	Rehab	Conservation
Very Low	190-215	117	117
Low	170-195	117	117
Moderate	338-363	66	66
Above Moderate	587	0	0
Totals	1,285-1,360	300	300